



AGENDA BILL APPROVAL FORM

| | | |
|--|--|-------------------------------|
| Agenda Subject: September 2013 Financial Report | | Date: November 5, 2013 |
| Department: Finance | Attachments: Monthly Financial Report | Budget Impact: \$0 |
| Administrative Recommendation: For discussion only. | | |
| Background Summary: <p>The purpose of the monthly financial reports is to summarize for the City Council the general state of Citywide financial affairs and to highlight significant items or trends that the City Council should be aware of. The following provides a high level summary of the City's financial performance. Further detail can be found within the attached financial report.</p> <p>The September status report is based on financial data available as of October 25, 2013 for the period ending September 30, 2013. Sales tax information represents business activity that occurred in July 2013.</p> <p><u>General Fund:</u> The general fund is the City's largest fund and is used to account for the majority of City resources and services except those required by statute or to be accounted for in another fund.</p> <p>Through September 2013, general fund revenues totaled \$37.6 million and compare to expenditures of \$38.5 million. General Fund revenues do not yet reflect collections from the second half property tax payments, which were due in October. Once these collections are received, General Fund revenues are expected to be sufficient to meet expenditures.</p> <p>General fund revenues exceeded budget by \$1.7 million and exceeded collections for the same period last year by \$760,000. The increase in revenues over the previous year are due to several factors and include an increase in property taxes of \$993,000. Per the 2013-2014 budget, Local Street Fund street repairs are funded from sales taxes on construction; previously these repairs were funded with property taxes. Other significant factors contributing to the improvement in General Fund revenues over the previous year include building permits (up \$453,000), City utility taxes (up \$330,000), and other licenses and permits (up \$238,000), which include development related permits such as plumbing and electrical inspection permit fees.</p> <p>General Fund expenditures totaled \$38.5 million and compare to budget of \$41.2 million and \$39.9 million for the same period last year. After adjusting for one-time expenses in 2012, 2013 expenditures to date are comparable to 2012 levels.</p> <p>During the month of September, 442 pet licenses were sold (as compared to 672 in 2012) resulting in \$14,405 in revenue. Year-to-date, 3,876 licenses have been sold (compared to 4,733 in 2012) bringing in a total of \$116,920.</p> | | |

Enterprise Funds:

The City's eight enterprise funds account for operations with revenues primarily provided from user fees, charges or contracts for services.

At the end of September, the Water fund net operating income decreased to \$516,980 (as compared to income of \$577,250 in the previous year) reflecting purchased water payments to Tacoma Public Utilities and cooler/wetter weather conditions. The Sewer fund ended with a \$497,800 operating loss (compared to an operating loss of \$1,107,800 the previous year, excluding Metro); the Sewer-Metro Utility ended the period with operating income of \$65,000; and the Stormwater Utility ended with operating income of \$813,490 (as compared to operating income of \$437,900 the previous year).

The Golf Course ended the period with an operating loss of \$76,150 compared to an operating loss of \$112,440 for the same period last year and reflects an improvement in the year-to-date rounds played at the Golf Course (41,297 compared to 40,783 for the same period last year). The Cemetery ended September with net operating income of \$60,490 compared to an operating loss of \$125,090 for the previous year, reflecting an increase in operating revenue and a decrease in salaries/benefits expenditures.

Internal Service Funds:

Internal Service Funds provide services to other City departments and include functions such as Insurance, Facilities, Innovation and Technology, and Equipment Rental. All funds have sufficient revenues to cover year-to-date expenditures.

Investment Portfolio:

The City's total cash and investments at the end of September was \$112.1 million and compares to \$112.4 million the month prior.

Reviewed by Council & Committees:

- | | |
|---|---|
| <input type="checkbox"/> Arts Commission | COUNCIL COMMITTEES: |
| <input type="checkbox"/> Airport | <input checked="" type="checkbox"/> Finance |
| <input type="checkbox"/> Hearing Examiner | <input type="checkbox"/> Municipal Serv. |
| <input type="checkbox"/> Human Services | <input type="checkbox"/> Planning & CD |
| <input type="checkbox"/> Park Board | <input type="checkbox"/> Public Works |
| <input type="checkbox"/> Planning Comm. | <input type="checkbox"/> Other _____ |

Reviewed by Departments & Divisions:

- | | |
|---|--|
| <input type="checkbox"/> Building | <input type="checkbox"/> M&O |
| <input type="checkbox"/> Cemetery | <input type="checkbox"/> Mayor |
| <input checked="" type="checkbox"/> Finance | <input type="checkbox"/> Parks |
| <input type="checkbox"/> Fire | <input type="checkbox"/> Planning |
| <input type="checkbox"/> Legal | <input type="checkbox"/> Police |
| <input type="checkbox"/> Public Works | <input type="checkbox"/> Human Resources |
| <input type="checkbox"/> Information Services | |

Action:

Committee Approval: ☐ Yes ☐ No
 Council Approval: ☐ Yes ☐ No
 Referred to _____ Until ____/____/____
 Tabled _____ Until ____/____/____
 Call for Public Hearing ____/____/____

Councilmember: Partridge

Staff: Coleman

Meeting Date: November 18, 2013

Item Number:

| General Fund Summary of Sources and Uses | 2013 | | | 2012 | 2013 YTD Budget vs. Actual | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|--|--------------|
| | Annual Budget | YTD Budget | YTD Actual | YTD Actual | Favorable (Unfavorable) Amount Percentage | |
| Operating Revenues | | | | | | |
| Property Tax | \$ 14,299,417.00 | \$ 7,791,200.00 | \$ 7,960,868.43 | \$ 6,967,458.22 | \$ 169,668.43 | 2.2 % |
| Sales Tax | 11,695,309.00 | 8,596,000.00 | 9,233,566.83 | 9,433,960.94 | 637,566.83 | 7.4 % |
| Sales Tax - Annexation Credit | 1,397,602.00 | 1,024,000.00 | 1,236,640.90 | 1,114,385.60 | 212,640.90 | 20.8 % |
| Criminal Justice Sales Tax | 1,225,059.00 | 911,000.00 | 1,117,505.06 | 1,029,189.83 | 206,505.06 | 22.7 % |
| Brokered Natural Gas Tax | 301,500.00 | 247,600.00 | 221,201.61 | 251,182.58 | (26,398.39) | (10.7) % |
| City Utilities Tax | 2,991,933.00 | 2,218,900.00 | 2,500,608.41 | 2,170,842.34 | 281,708.41 | 12.7 % |
| Admissions Tax | 363,609.00 | 277,000.00 | 241,140.98 | 267,129.59 | (35,859.02) | (12.9) % |
| Electric Tax | 3,340,500.00 | 2,605,100.00 | 2,529,525.08 | 2,457,352.42 | (75,574.92) | (2.9) % |
| Natural Gas Tax | 1,201,900.00 | 1,070,800.00 | 914,644.21 | 991,567.35 | (156,155.79) | (14.6) % |
| Cable TV Franchise Fee | 808,000.00 | 606,100.00 | 637,050.65 | 605,114.93 | 30,950.65 | 5.1 % |
| Cable TV Franchise Fee - Capital | 62,000.00 | 46,700.00 | 47,254.10 | 47,268.79 | 554.10 | 1.2 % |
| Telephone Tax | 2,032,574.00 | 1,502,700.00 | 1,326,473.95 | 1,438,717.72 | (176,226.05) | (11.7) % |
| Garbage Tax (external) | 151,504.00 | 117,800.00 | 74,607.67 | 87,148.62 | (43,192.33) | (36.7) % |
| Leasehold Excise Tax | 50,501.00 | 33,300.00 | 19,685.44 | 28,762.45 | (13,614.56) | (40.9) % |
| Gambling Excise Tax | 247,965.00 | 184,900.00 | 201,329.95 | 197,016.92 | 16,429.95 | 8.9 % |
| Taxes sub-total | 40,169,373.00 | 27,233,100.00 | 28,262,103.27 | 27,087,098.30 | 1,029,003.27 | 3.8 % |
| Business License Fees | 202,005.00 | 113,200.00 | 116,156.00 | 129,721.50 | 2,956.00 | 2.6 % |
| Building Permits | 1,899,966.00 | 1,408,000.00 | 1,684,252.96 | 1,231,370.83 | 276,252.96 | 19.6 % |
| Other Licenses & Permits | 454,413.00 | 332,213.00 | 532,254.39 | 293,722.90 | 200,041.39 | 60.2 % |
| Intergovernmental (Grants, etc.) - (1) | 4,661,784.00 | 3,445,700.00 | 3,565,554.68 | 4,300,705.12 | 119,854.68 | 3.5 % |
| Charges for Services: | | | | | | |
| General Government Services | 94,467.00 | 71,300.00 | 85,384.19 | 92,943.98 | 14,084.19 | 19.8 % |
| Public Safety | 17,300.00 | 14,000.00 | 16,521.49 | 183,463.13 | 2,521.49 | 18.0 % |
| Development Services Fees | 963,458.00 | 770,100.00 | 868,072.18 | 1,048,473.64 | 97,972.18 | 12.7 % |
| Culture and Recreation | 809,717.00 | 664,600.00 | 725,425.06 | 716,691.80 | 60,825.06 | 9.2 % |
| Fines and Forfeits | 1,556,500.00 | 1,219,100.00 | 1,073,569.06 | 1,200,608.02 | (145,530.94) | (11.9) % |
| Fees/Charges/Fines sub-total | 10,659,610.00 | 8,038,213.00 | 8,667,190.01 | 9,197,700.92 | 628,977.01 | 7.8 % |
| Interests and Other Earnings | 64,900.00 | 45,500.00 | 35,163.09 | 64,287.53 | (10,336.91) | (22.7) % |
| Rents, Leases and Concessions | 308,000.00 | 234,000.00 | 253,884.96 | 252,622.80 | 19,884.96 | 8.5 % |
| Contributions and Donations | 41,000.00 | 32,000.00 | 37,647.75 | 40,978.23 | 5,647.75 | 17.6 % |
| Other Miscellaneous | 92,200.00 | 70,400.00 | 47,397.61 | 98,816.50 | (23,002.39) | (32.7) % |
| Transfers In | 267,000.00 | 267,000.00 | 193,548.00 | 17,000.00 | (73,452.00) | (27.5) % |
| Insurance Recoveries - Capital & Operating | 25,000.00 | 13,371.12 | 126,850.17 | 105,026.84 | 113,479.05 | 848.7 % |
| Other Revenues sub-total | 798,100.00 | 662,271.12 | 694,491.58 | 578,731.90 | 32,220.46 | 4.9 % |
| Total Operating Revenues | \$ 51,627,083.00 | \$ 35,933,584.12 | \$ 37,623,784.86 | \$ 36,863,531.12 | \$ 1,690,200.74 | 4.7 % |
| Operating Expenditures | | | | | | |
| Council & Mayor | \$ 1,020,762.99 | \$ 765,572.24 | \$ 764,833.18 | \$ 660,682.80 | \$ 739.06 | 0.1 % |
| Municipal Court & Probation | 682,424.39 | 565,966.00 | 505,053.89 | 2,241,072.86 | 60,912.11 | 10.8 % |
| Human Resources | 1,608,800.00 | 1,196,800.00 | 1,017,519.89 | 643,764.15 | 179,280.11 | 15.0 % |
| Finance | 1,315,343.78 | 1,004,300.00 | 907,409.17 | 883,397.48 | 96,890.83 | 9.6 % |
| City Attorney | 1,836,346.17 | 1,383,000.00 | 1,385,237.71 | 1,219,363.36 | (2,237.71) | (0.2) % |
| Planning | 4,007,214.94 | 3,005,411.21 | 2,796,866.17 | 2,839,603.53 | 208,545.04 | 6.9 % |
| Community & Human Services | 1,272,579.74 | 946,900.00 | 687,547.11 | 734,345.47 | 259,352.89 | 27.4 % |
| Jail - SCORE | 7,046,419.00 | 4,801,321.00 | 4,704,762.61 | 2,770,771.63 | 96,558.39 | 2.0 % |
| Police | 20,136,997.21 | 14,830,300.00 | 14,215,450.42 | 13,493,387.71 | 614,849.58 | 4.1 % |
| Engineering | 2,836,440.40 | 2,083,300.00 | 2,026,435.08 | 1,863,699.68 | 56,864.92 | 2.7 % |
| Parks and Recreation | 8,138,564.48 | 6,116,000.00 | 6,063,767.10 | 5,479,018.95 | 52,232.90 | 0.9 % |
| Streets | 3,273,353.35 | 2,202,500.00 | 1,919,544.66 | 2,075,369.84 | 282,955.34 | 12.8 % |
| Non-Departmental | 2,962,767.93 | 2,282,075.95 | 1,506,256.96 | 4,968,921.11 | 775,818.99 | 34.0 % |
| Total Operating Expenditures | \$ 56,138,014.38 | \$ 41,183,446.40 | \$ 38,500,683.95 | \$ 39,873,398.57 | \$ 2,682,762.45 | 6.5 % |

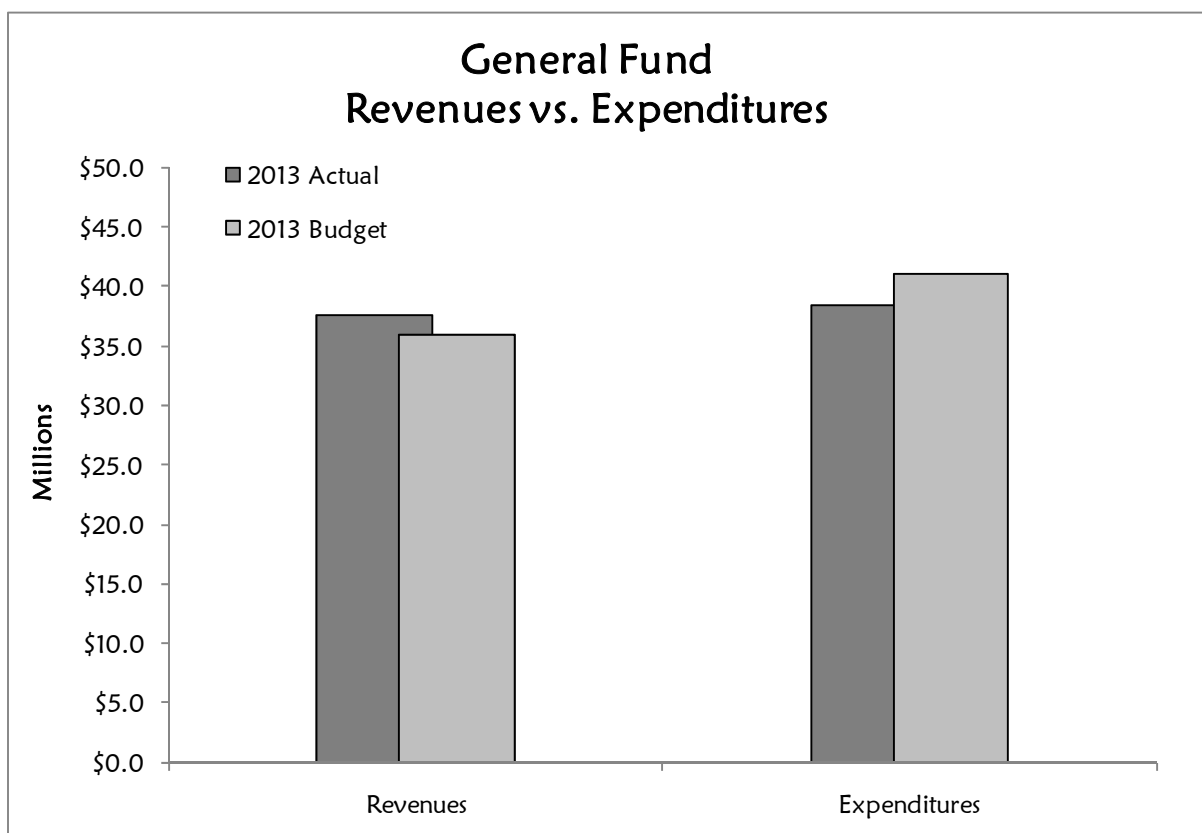
- (1) Streamlined Sales Tax mitigation payments represent intergovernmental revenues from the State of Washington and are presented above in the Intergovernmental Revenue category. Through Q3-2013, \$1,455,508.12 in Streamlined Sales Tax mitigation payments is included and compares to year-to-date budget of \$1,497,300.

Overview

This financial overview reflects the City's overall financial position for the fiscal period ending September 30, 2013 and represents financial data available as of October 25, 2013. The budgeted year-to-date revenues and operating expenditures are primarily based on collection/disbursement average for the same period of the two years prior.

General Fund revenues totaled \$37.6 million as of the end of September 2013 and compares to previous year to date collections of \$36.9 million and budget of \$35.9 million. General Fund revenues are expected to increase in October, reflecting 2nd half property tax payments. Year-to-date improvement in General Fund revenue performance is primarily due to continued strength in sales tax revenues, increased City utility tax revenues, and increased revenues from development activity (building permits and plumbing/electrical permits). Major commercial projects contributing to the growth in building permit and development related fees include the Auburn High School Modernization project, the remodel of The Outlet Collection – Seattle, several projects at Boeing, as well as the Franciscan Medical Pavilion. In addition, there are several housing developments within the City that have contributed to the economic growth including the Ridge at Bowman Creek, Auburn 40 PUD, Lakeland East, and Kendall Ridge. These improvements are partially offset by reduced collections from natural gas, telephone utility taxes, and fines and forfeits related to traffic infractions.

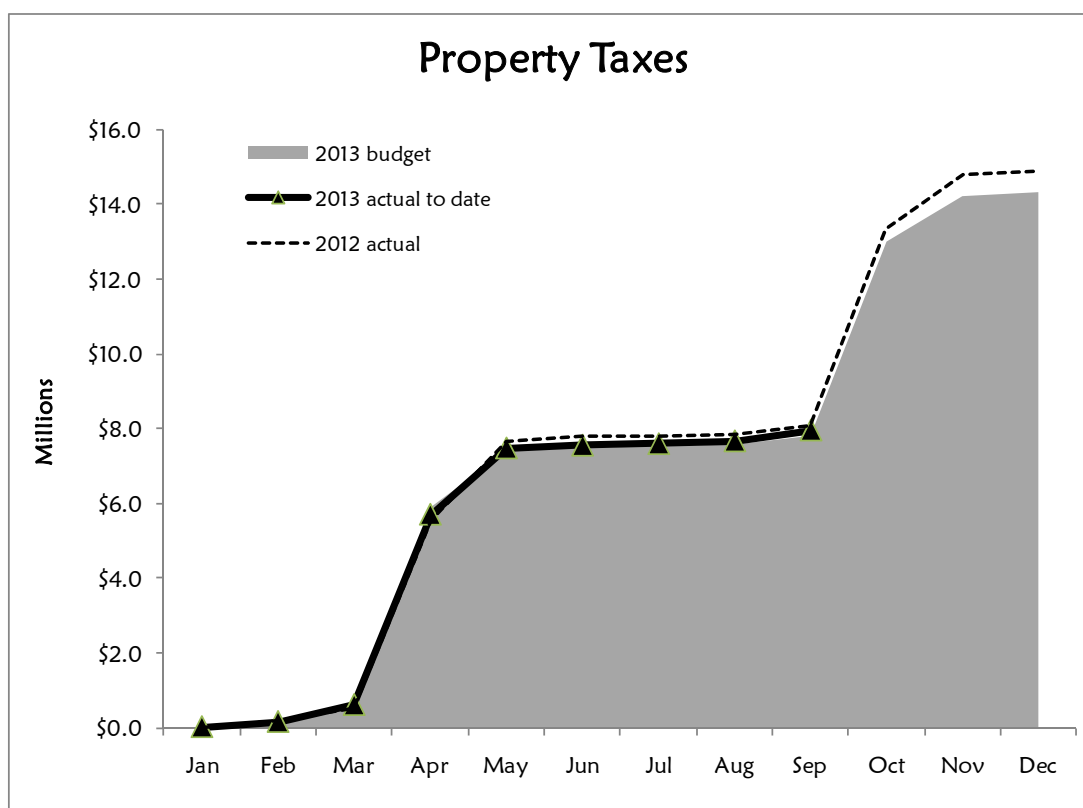
General Fund expenditures totaled \$38.5 million and compares to budget of \$41.2 million. Department spending is within budget and expectations, with the majority of under-expenditures due to timing of expenditures and salary savings from current and earlier vacancies.



Revenues

The combined total of property tax, sales/use tax, utility tax, gambling, and admissions tax provide approximately 80% of all resources supporting general governmental activities. The following section provides additional information on these sources.

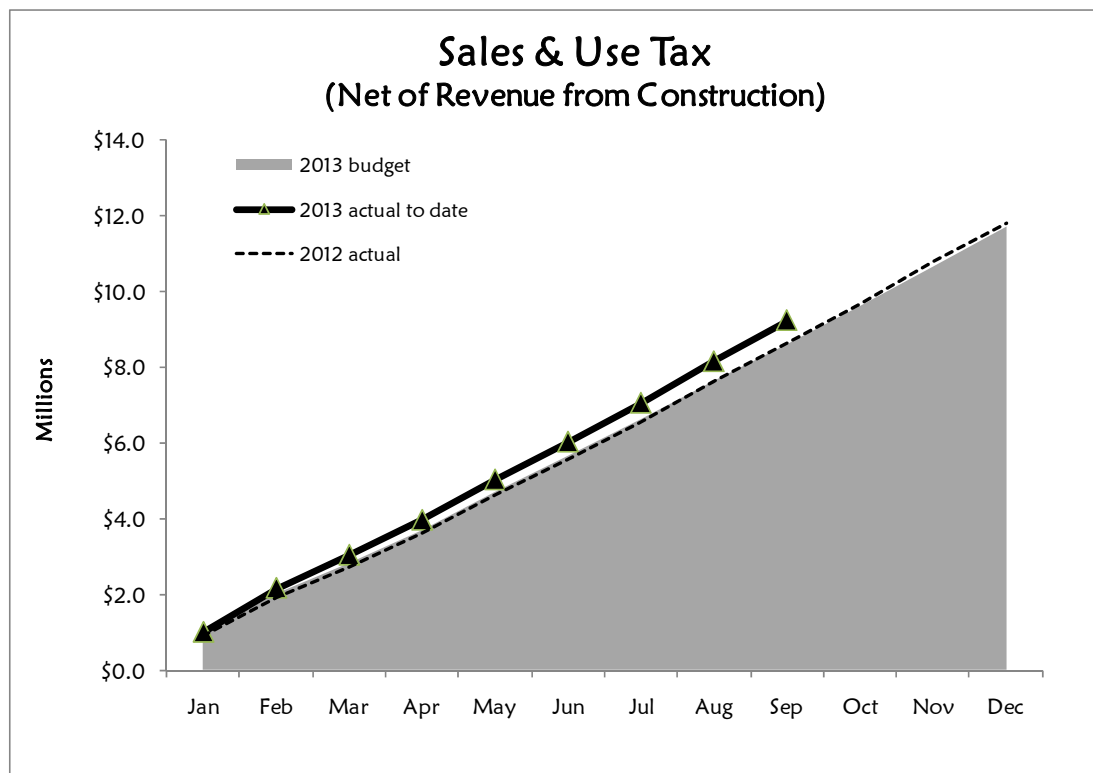
Property Tax collections to date total \$8.0 million and compare to collections of \$8.1 million for the same period the previous year, after adjusting for transfers to the Local Street Fund (SOS) program¹. The majority of property tax revenues are collected during the months of April and October, coinciding with the due date for the County property tax billings.



* Per 2013-2014 budget, Local Street Fund (Fund 103) street repairs are funded from sales taxes on construction.

¹ In 2012, property taxes for the same period totaled \$8,076,694.55. Of this amount, \$6,967,458.22 was distributed to the General Fund and \$1,109,236.33 was distributed to the Local Street Fund (Fund 103).

Sales tax distributions Citywide totaled \$10.5 million of which \$9.2 million was distributed to the General Fund and \$1.3 million to the Local Street Fund (SOS) program.*



* Per 2013-2014 budget, Local Street Fund (Fund 103) street repairs are funded from sales taxes on construction. Total transferred year-to-date through September: \$1,253,469.58. The graphic above presents sales taxes under the current policy.

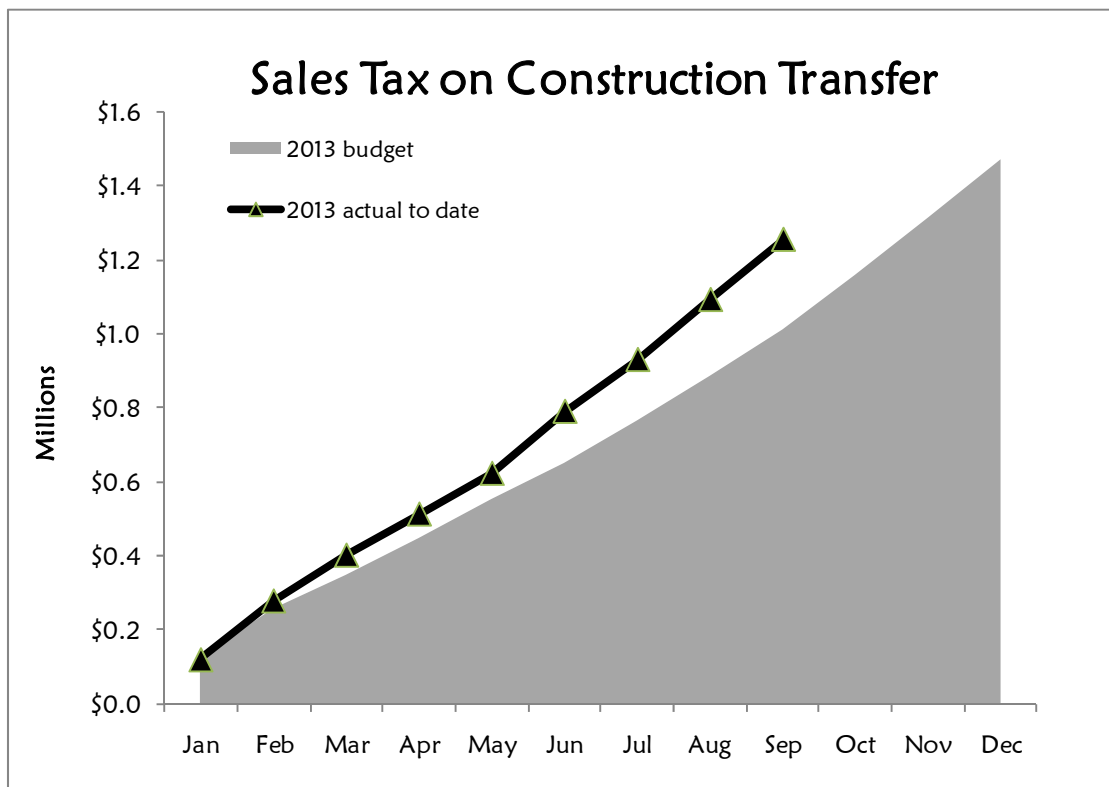
The following table breaks out the City's base sales tax, excluding Criminal Justice, Annexation Credit and Streamlined Sales Tax Mitigation by major business sectors*.

| Comparison of Sales Tax Collections by SIC Group | | | | |
|--|--------------|---------------|------------------|------------|
| September-2013 | | | | |
| Component Group | 2012 Actual | 2013 Actual | Change from 2012 | |
| | | | Amount | Percentage |
| Construction | 812,942.82 | 1,253,469.89 | 440,527.07 | 54.2 % |
| Manufacturing | 268,901.53 | 455,540.44 | 186,638.91 | 69.4 % |
| Transportation & Warehousing | 44,684.16 | 28,715.55 | (15,968.61) | (35.7) % |
| Wholesale Trade | 983,134.69 | 956,448.95 | (26,685.74) | (2.7) % |
| Automotive | 2,231,342.55 | 2,346,459.58 | 115,117.03 | 5.2 % |
| Retail Trade | 2,897,395.78 | 3,136,407.43 | 239,011.65 | 8.2 % |
| Services | 2,162,233.39 | 2,271,278.57 | 109,045.18 | 5.0 % |
| Miscellaneous | 46,065.07 | 44,143.57 | (1,921.50) | (4.2) % |
| YTD Total | 9,446,699.99 | 10,492,463.98 | 1,045,763.99 | 11.1 % |

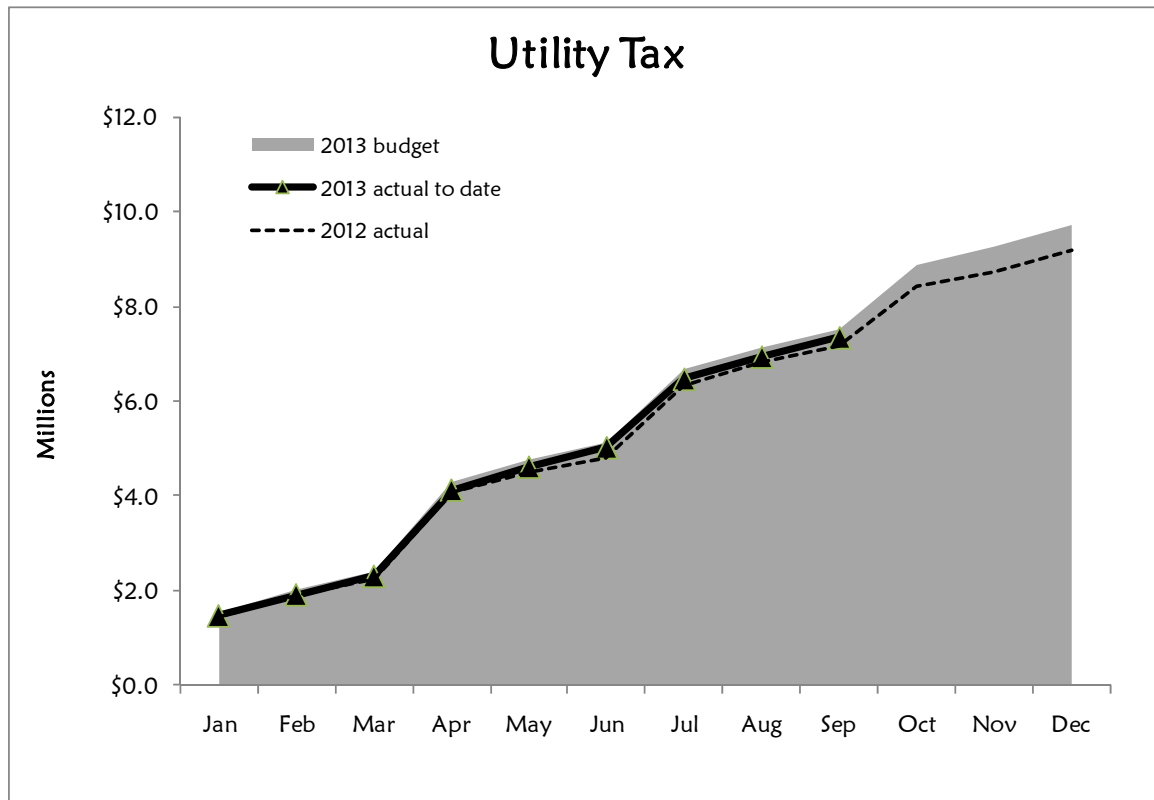
Note: 2012 actuals for the Manufacturing sector include an adjustment of -\$74,000 by the State Department of Revenue as a result of an audit.

As shown on the prior page, the areas showing the largest amount of increase in revenues compared to 2012 are in the construction trade and the retail trade categories. These changes reflect the increased level of construction activity within the City as well as improvement in general economic conditions and consumer spending. In general, consumer spending accounts for approximately two-thirds of economic activity.

Year to date sales tax revenue on construction, which is transferred to the Local Street Fund (Fund 103) for local street repair and maintenance, totals \$1,253,000 and exceeds budget by \$241,000, reflecting increased commercial and residential construction activity throughout the City.



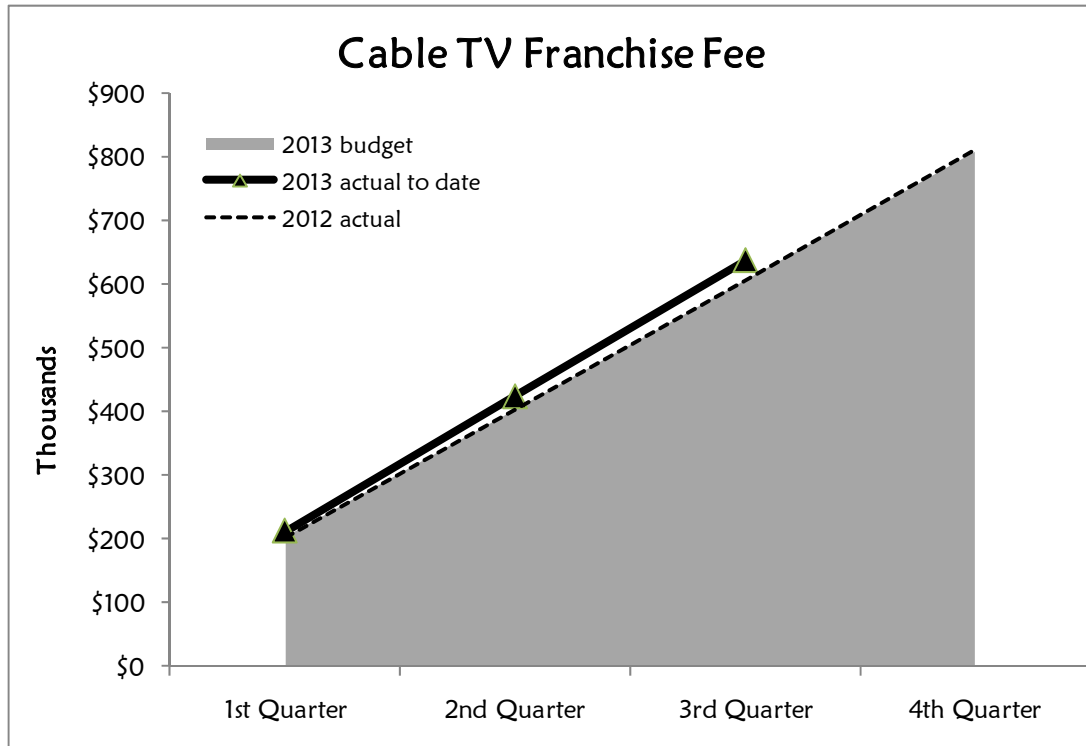
Utility Taxes consists of City interfund utility taxes (Water, Sewer, Storm and Solid Waste) and external utility taxes (Electric, Natural Gas, Telephone and Solid Waste). Utility tax collections through September was \$7.4 million and compares to \$7.1 million collected the same period last year.



As shown in the table below, increased collections from City interfund utilities partially offset lower than expected collections from private utility providers. A mild winter has reduced consumer heating demands and resulted in a decline in electric and natural gas revenue collections. Earlier this year, the Washington Utilities and Transportation Commission approved a rate decrease for natural gas - which reduced the residential rates by approximately 7% and commercial rates by approximately 10%. This rate decrease was a result of an abundant domestic supply of natural gas. Telephone utility tax revenues are under budget by \$176,000 year-to-date, reflecting the rapid change in this industry as more individuals move from traditional land lines to cellular and internet-based phone services.

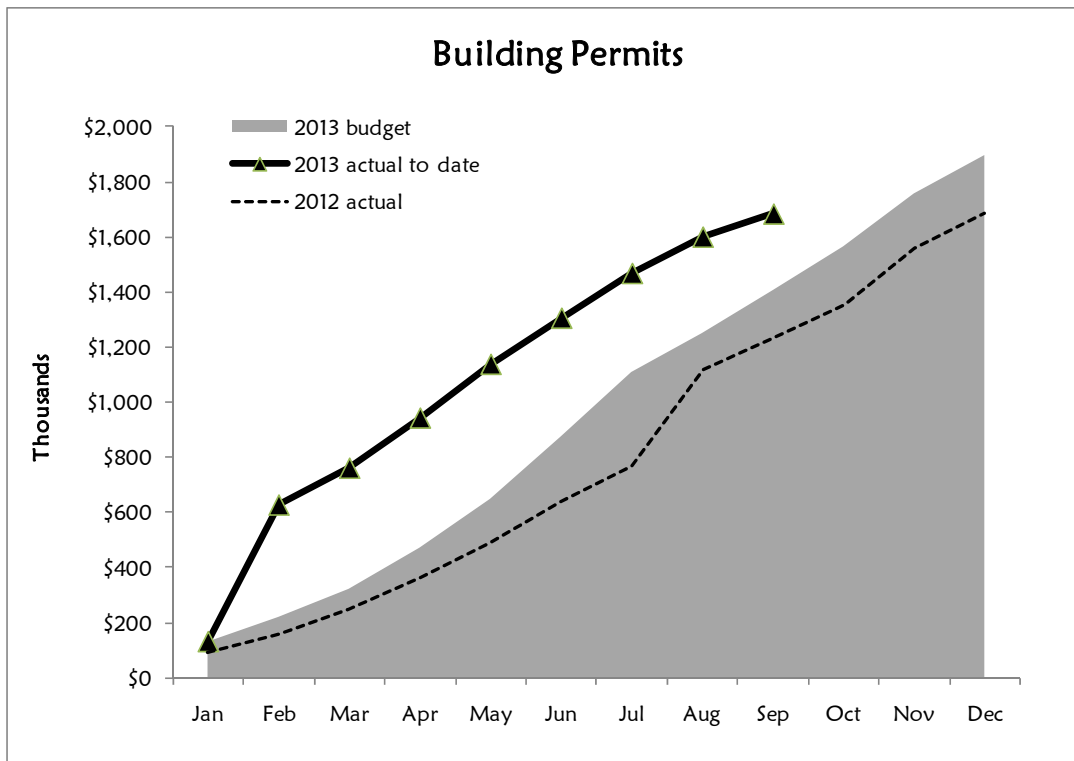
| Utility Tax by Type September-2013 | | | | | | | |
|---------------------------------------|--------------|--------------|--------------|----------------------|------------|-----------------|------------|
| Month | 2012 Actual | 2013 Budget | 2013 Actual | 2013 vs. 2012 Actual | | 2013 vs. Budget | |
| | | | | Amount | Percentage | Amount | Percentage |
| City Interfund Utility Taxes | 2,170,842.34 | 2,218,900.00 | 2,500,608.41 | 329,766.07 | 15.2 % | 281,708.41 | 12.7 % |
| Electric | 2,457,352.42 | 2,605,100.00 | 2,529,525.08 | 72,172.66 | 2.9 % | (75,574.92) | (2.9) % |
| Natural Gas | 991,567.35 | 1,070,800.00 | 914,644.21 | (76,923.14) | (7.8) % | (156,155.79) | (14.6) % |
| Telephone | 1,438,717.72 | 1,502,700.00 | 1,326,473.95 | (112,243.77) | (7.8) % | (176,226.05) | (11.7) % |
| Solid Waste (external) | 87,148.62 | 117,800.00 | 74,607.67 | (12,540.95) | (14.4) % | (43,192.33) | (36.7) % |
| YTD Total | 7,145,628.45 | 7,515,300.00 | 7,345,859.32 | 200,230.87 | 2.8 % | (169,440.68) | (2.3) % |

Cable TV Franchise Fees, which are collected quarterly, totals \$637,000 and exceed year to date budget by \$31,000 or 5.1%.

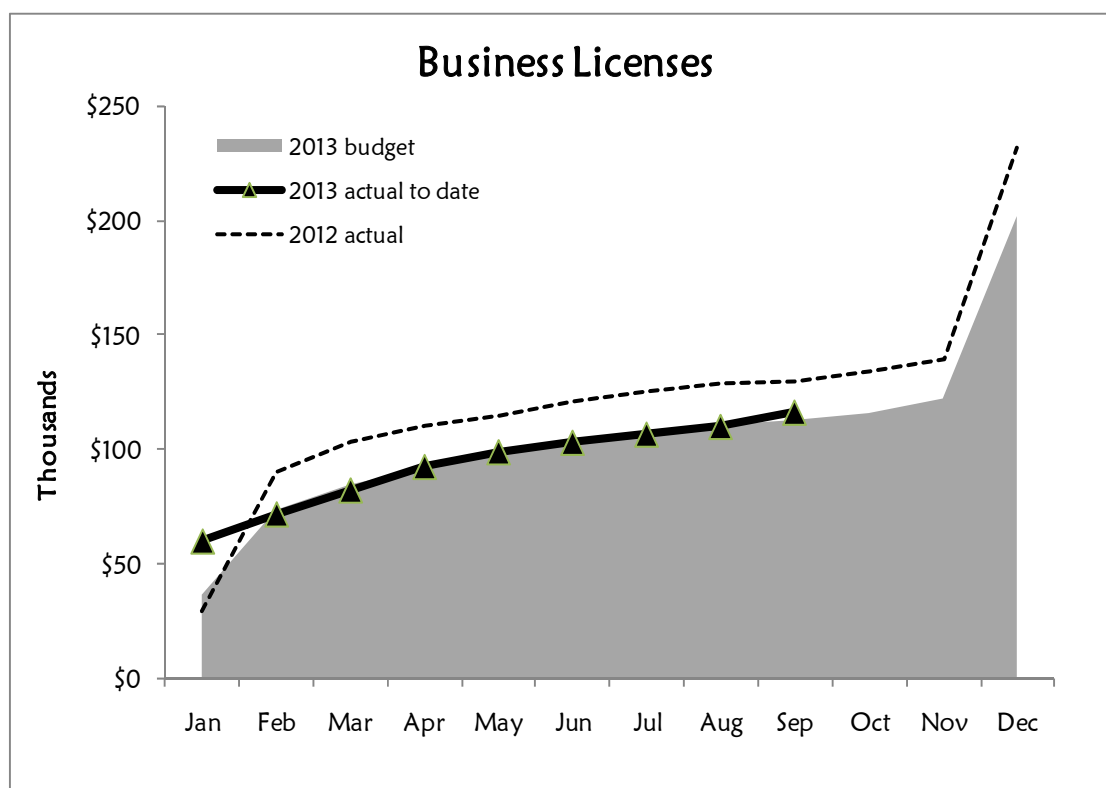


Licenses and Permits include business licenses, building permits, plumbing, electric and other licenses and permit fees. Building permit fees and business licenses make up 80% of the annual budgeted revenue in this category.

Total building permit revenues collected through September totals \$1.7 million and compares to budget of \$1.4 million. Year-to-date building permits issued through September total 703, and compares to 690 during the same period last year. Major projects contributing to revenues this year include the Auburn High School Modernization project, the remodel of The Outlet Collection – Seattle, various projects at Boeing, the Franciscan Medical Pavilion, the Walter E. Nelson Building (janitorial supply distributor) as well as several housing developments including The Ridge at Bowman Creek, Auburn 40 PUD, Lakeland East, and Kendall Ridge.



Business License revenues collected to date total \$116,000 and are on target with budget. The graphic below reflects the timing of payments by business owners, where the majority of business license payments are collected during the first two months of the year and the last month of the year.



Intergovernmental includes Grants (Direct & Indirect Federal, State and Local), state shared revenues and compact revenue from the Muckleshoot Indian Tribe (MIT). Collections to date total \$3.6 million and include the 3rd Quarter payment of Streamlined Sales tax payment in the amount of \$495,983.58.

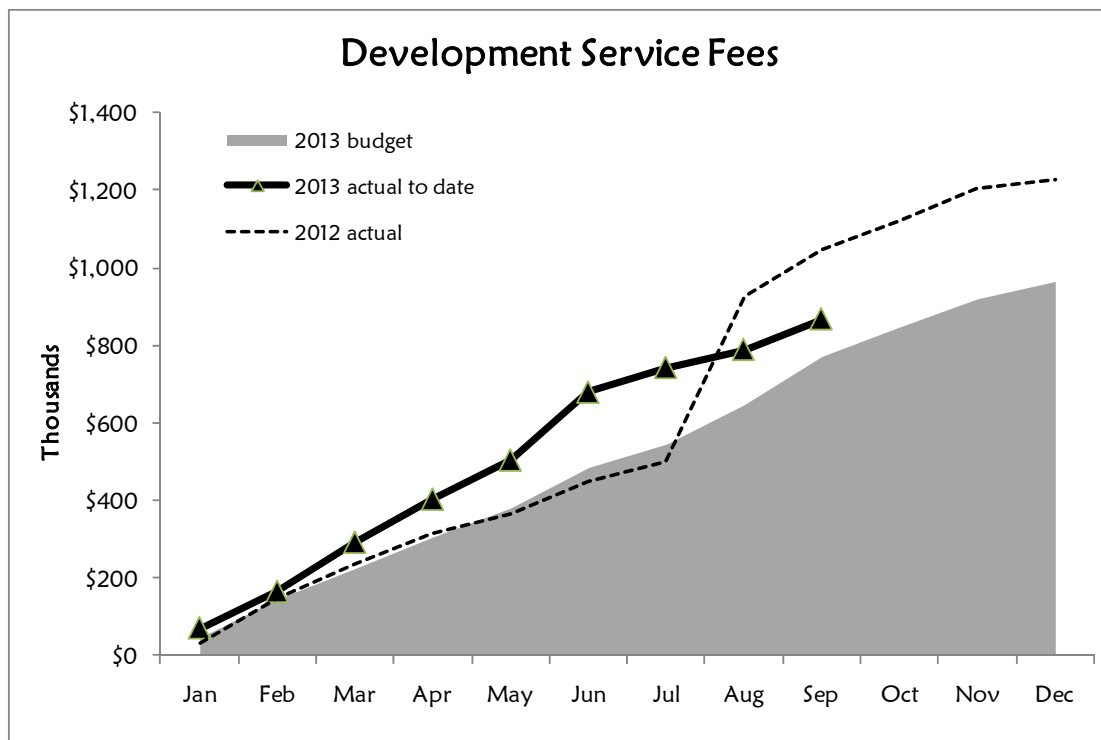
| Intergovernmental September-2013 | | | | | | | |
|-------------------------------------|--------------|--------------|--------------|----------------------|----------|-----------------|----------|
| Revenue | 2012 | 2013 | 2013 | 2013 vs. 2012 Actual | | 2013 vs. Budget | |
| | Actual | Budget | Actual | Amount | % Change | Amount | % Change |
| Federal Grants | 421,309.50 | 29,500.00 | 46,900.61 | (374,408.89) | (88.9) % | 17,400.61 | 59.0 % |
| State Grants | 114,708.87 | 112,700.00 | 105,942.79 | (8,766.08) | (7.6) % | (6,757.21) | (6.0) % |
| Interlocal Grants | 10,048.92 | 23,700.00 | 58,485.78 | 48,436.86 | 482.0 % | 34,785.78 | 146.8 % |
| State Shared Revenue | 3,213,016.64 | 2,836,800.00 | 2,887,748.71 | (325,267.93) | (10.1) % | 50,948.71 | 1.8 % |
| Muckleshoot Casino Emerg. | 528,469.00 | 437,500.00 | 437,462.00 | (91,007.00) | (17.2) % | (38.00) | (0.0) % |
| Intergovernmental Service | 13,152.19 | 5,500.00 | 29,014.79 | 15,862.60 | 120.6 % | 23,514.79 | 427.5 % |
| YTD Total | 4,300,705.12 | 3,445,700.00 | 3,565,554.68 | (735,150.44) | (17.1) % | 119,854.68 | 3.5 % |

State shared revenue includes \$1,455,508.12 in Streamlined Sales Tax mitigation payments made through September.

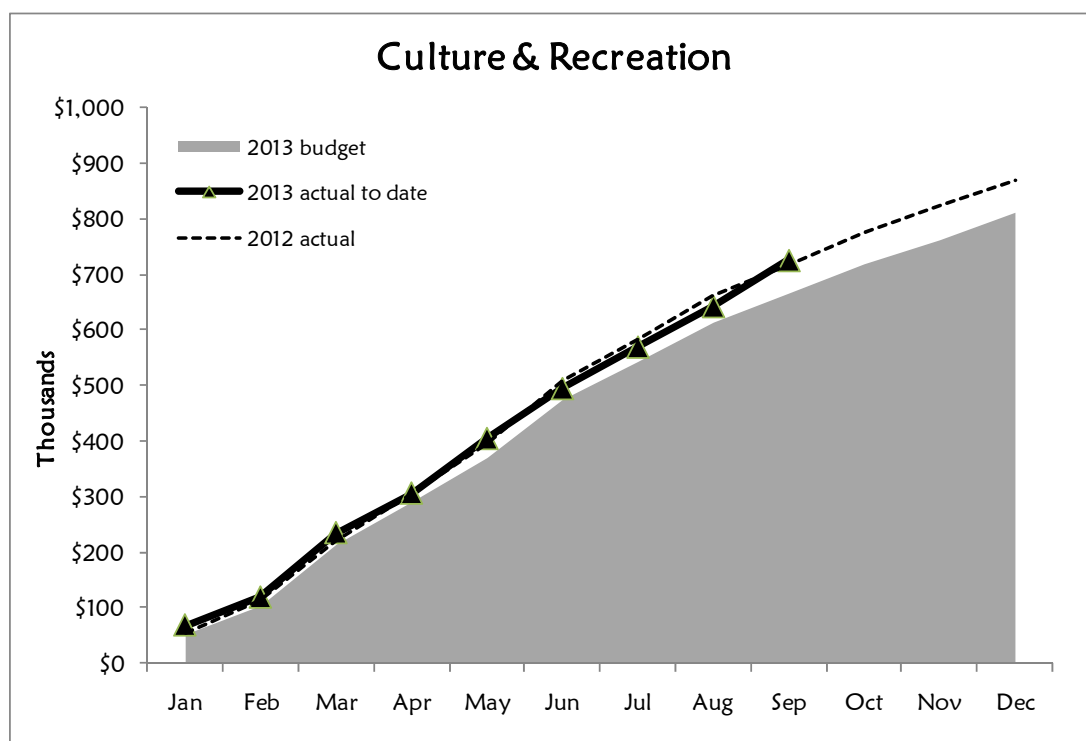
Charges for Services consists of general governmental services, public safety, development service fees and cultural & recreation fees. Development service fees and culture and recreation fees make up over 85% of the revenue within this category. Development service fee collections through September, which primarily consist of plan check fees, exceed budget by \$98,000 to date. Plan check fees collected in September totaled \$69,000 and included projects such as The Outlet Collection – Seattle and several housing developments including Edgeview and Kendall Ridge. The year-over-year decline in development service fees reflect plan check fees for the Auburn High School Modernization and the Boeing re-roofing projects both of which were received in 2012.

Culture and recreation revenues are \$61,000 higher than budget; reflecting increased activity from City special events and league fees. The year-over-year decline in Public Safety charges reflect the elimination of Adult Probation revenue (these revenues are retained by King County under the City-King County District Court contract).

| Charges for Services by Type September-2013 | | | | | | | |
|--|--------------|--------------|--------------|----------------------|------------|-----------------|------------|
| Revenue | 2012 Actual | 2013 Budget | 2013 Actual | 2013 vs. 2012 Actual | | 2013 vs. Budget | |
| | | | | Amount | Percentage | Amount | Percentage |
| General Government | 92,943.98 | 71,300.00 | 85,384.19 | (7,559.79) | (8.1) % | 14,084.19 | 19.8 % |
| Public Safety | 183,463.13 | 14,000.00 | 16,521.49 | (166,941.64) | (91.0) % | 2,521.49 | 18.0 % |
| Development Services | 1,048,473.64 | 770,100.00 | 868,072.18 | (180,401.46) | (17.2) % | 97,972.18 | 12.7 % |
| Culture & Recreation | 716,691.80 | 664,600.00 | 725,425.06 | 8,733.26 | 1.2 % | 60,825.06 | 9.2 % |
| YTD Total | 2,041,572.55 | 1,520,000.00 | 1,695,402.92 | (346,169.63) | (17.0) % | 175,402.92 | 11.5 % |

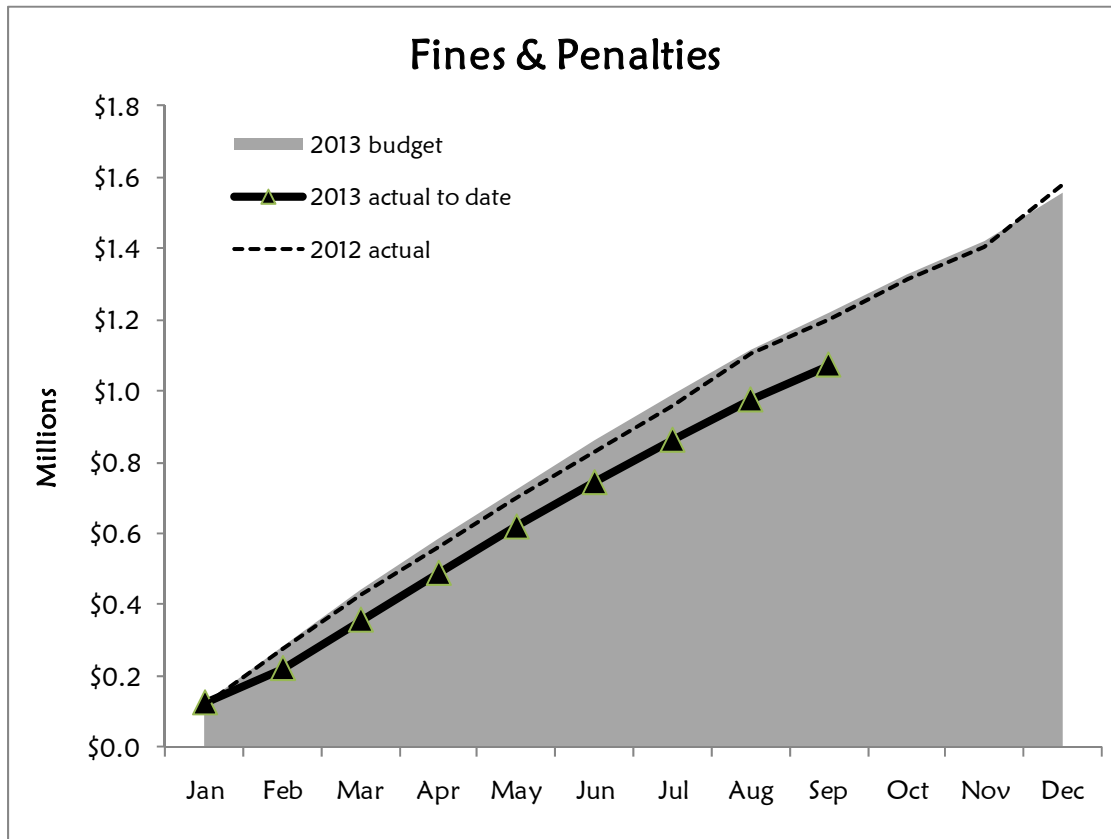


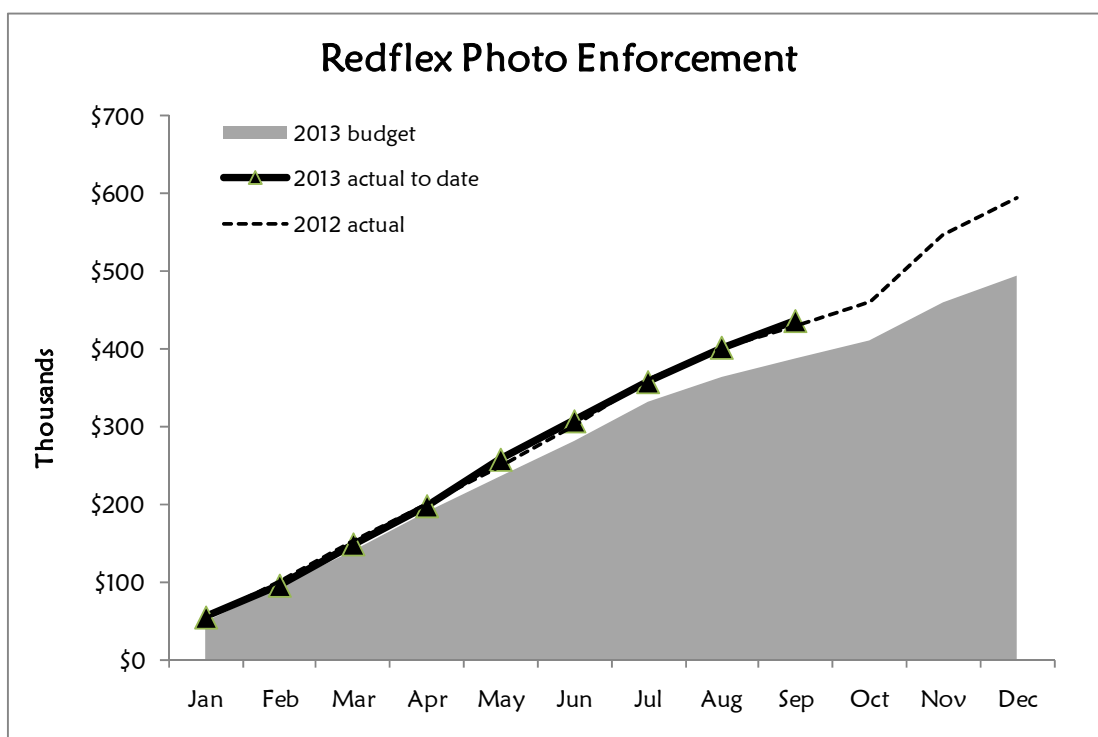
Note: August 2012 collections include plan check fees related to the Boeing re-roofing project as well as fees paid by the Auburn School District for the Auburn High School modernization and reconstruction project.
[Source: August 2012 monthly financial report]



Fines & Penalties include traffic and parking infraction penalties, Redflex photo enforcement violations, criminal fines (including criminal traffic, criminal non traffic and criminal costs) as well as non court fines such as false alarm and shopping cart fines. Total revenue to date is \$1.1 million and compares to budget of \$1.2 million. Civil Infraction Penalties include traffic infractions and other non-parking infractions. The majority of the revenues collected in this category relate to traffic infractions. Year-to-date through September, a total of \$339,000 has been collected for traffic infractions, compared to \$460,000 for the same period last year.

| Fines & Forfeits by Type September-2013 | | | | | | | |
|--|----------------|----------------|----------------|----------------------|------------|-----------------|------------|
| Month | 2012 Actual | 2013 Budget | 2013 Actual | 2013 vs. 2012 Actual | | 2013 vs. Budget | |
| | | | | Amount | Percentage | Amount | Percentage |
| Civil Penalties | 13,038.46 | 10,800.00 | 14,571.68 | 1,533.22 | 11.8 % | 3,771.68 | 34.9 % |
| Civil Infraction Penalties | 463,751.78 | 506,500.00 | 343,145.83 | (120,605.95) | (26.0) % | (163,354.17) | (32.3) % |
| Redflex Photo Enforcement | 429,624.55 | 388,400.00 | 436,427.72 | 6,803.17 | 1.6 % | 48,027.72 | 12.4 % |
| Parking Infractions | 85,977.79 | 136,900.00 | 97,053.35 | 11,075.56 | 12.9 % | (39,846.65) | (29.1) % |
| Criminal Traffic Misdemeanor | 71,468.86 | 64,800.00 | 42,130.62 | (29,338.24) | (41.1) % | (22,669.38) | (35.0) % |
| Criminal Non-Traffic Fines | 66,323.40 | 69,400.00 | 45,636.55 | (20,686.85) | (31.2) % | (23,763.45) | (34.2) % |
| Criminal Costs | 13,005.86 | 10,600.00 | 20,925.68 | 7,919.82 | 60.9 % | 10,325.68 | 97.4 % |
| Non-Court Fines & Penalties | 57,417.32 | 31,700.00 | 73,677.63 | 16,260.31 | 28.3 % | 41,977.63 | 132.4 % |
| YTD Total | 1,200,608.02 | 1,219,100.00 | 1,073,569.06 | (127,038.96) | (10.6) % | (145,530.94) | (11.9) % |



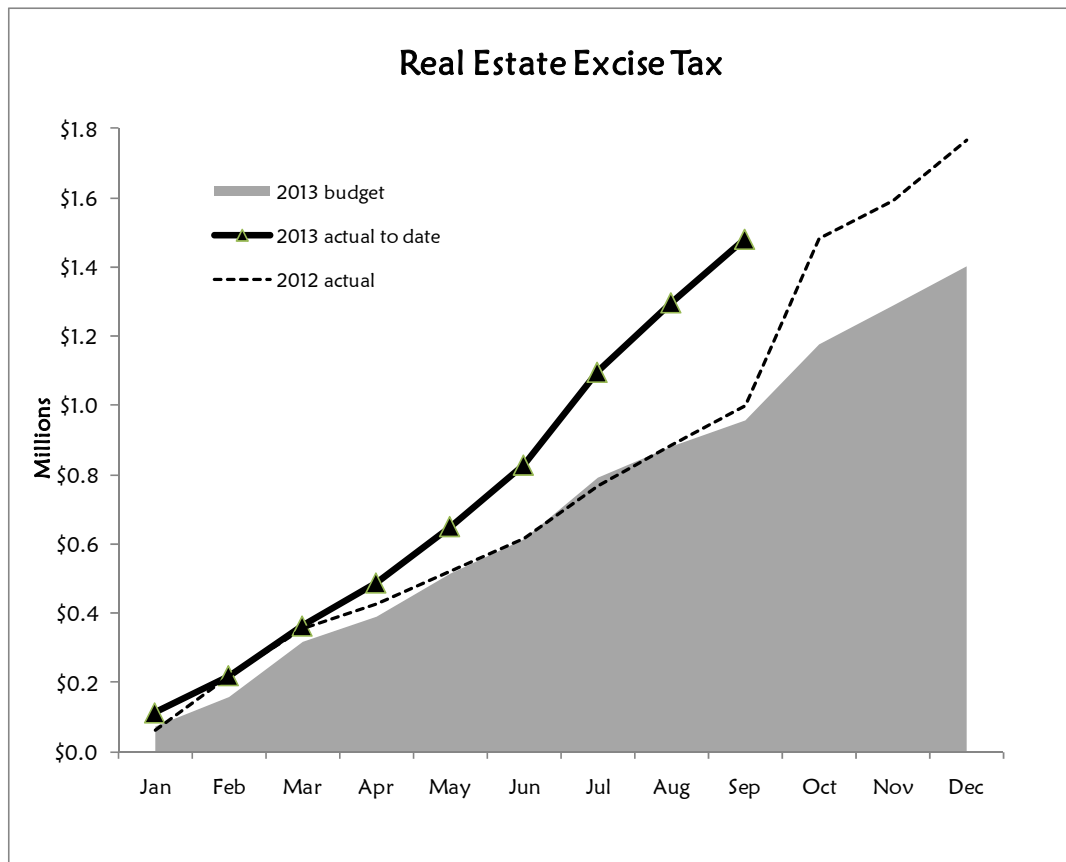


Miscellaneous revenues primarily consist of income from facility rentals; other sources within this category include investment earnings, contributions & donations and other miscellaneous income. Total revenue collected to date is \$374,000 compared to budget of \$382,000.

| Miscellaneous Revenues by Type September-2013 | | | | | | | |
|--|-------------|-------------|-------------|---------------|------------|-----------------|------------|
| Month | 2012 Actual | 2013 Budget | 2013 Actual | 2013 vs. 2012 | | 2013 vs. Budget | |
| | | | | Amount | Percentage | Amount | Percentage |
| Interest & Investments | 64,287.53 | 45,500.00 | 35,163.09 | (29,124.44) | (45.3) % | (10,336.91) | (22.7) % |
| Rents & Leases | 252,622.80 | 234,000.00 | 253,884.96 | 1,262.16 | 0.5 % | 19,884.96 | 8.5 % |
| Contributions & Donations | 40,978.23 | 32,000.00 | 37,647.75 | (3,330.48) | (8.1) % | 5,647.75 | 17.6 % |
| Other Miscellaneous Revenue | 98,816.50 | 70,400.00 | 47,397.61 | (51,418.89) | (52.0) % | (23,002.39) | (32.7) % |
| YTD Total | 456,705.06 | 381,900.00 | 374,093.41 | (82,611.65) | (18.1) % | (7,806.59) | (2.0) % |

Real Estate Excise Tax (REET) revenue is receipted into the Capital Improvement Projects Fund and is used for governmental capital projects. Total revenue at the end of September was \$1.5 million and exceeds budget and prior year actuals by \$526,000 and \$480,000 respectively, reflecting a robust local and regional real estate market. As shown in the table below, REET revenues collected in September totals \$184,000 compared to \$112,000 for the same month in 2012. September revenues reflect the sale of numerous single family homes, as well as the sale of two large land sales with a combined total of over 40 plots for single family residences.

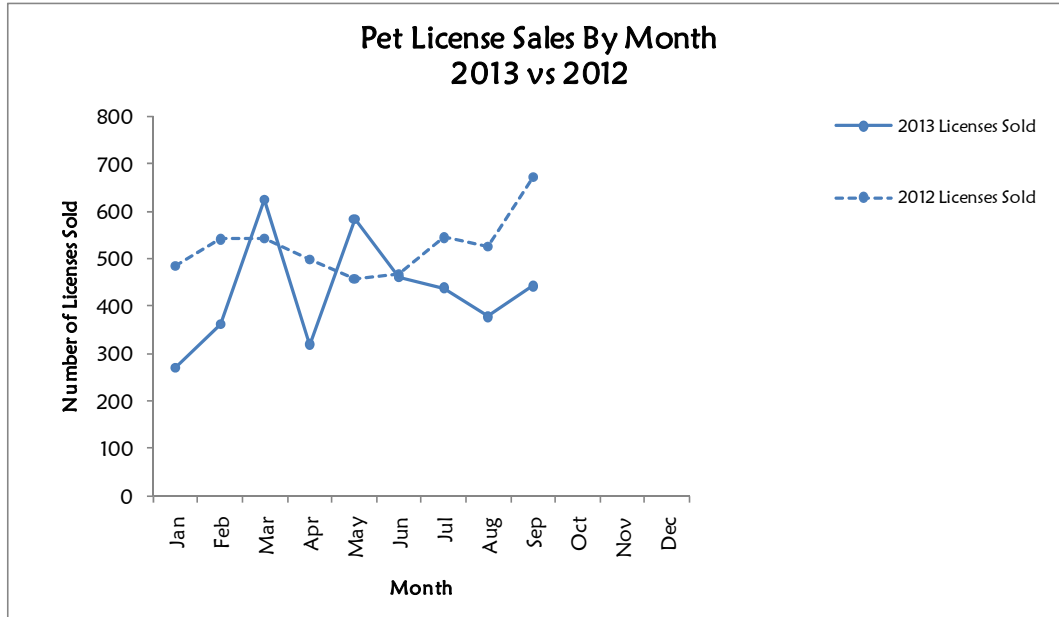
| Real Estate Excise Tax Revenues September-2013 | | | | | | | |
|---|----------------|----------------|----------------|---------------|------------|-----------------|------------|
| Month | 2012 Actual | 2013 Budget | 2013 Actual | 2013 vs. 2012 | | 2013 vs. Budget | |
| | | | | Amount | Percentage | Amount | Percentage |
| Jan | 61,442.49 | 71,106.27 | 113,614.79 | 52,172.30 | 84.9% | 42,508.52 | 59.8% |
| Feb | 155,948.42 | 85,001.51 | 107,484.61 | (48,463.81) | -31.1% | 22,483.10 | 26.5% |
| Mar | 136,790.25 | 159,419.95 | 143,198.35 | 6,408.10 | 4.7% | (16,221.60) | -10.2% |
| Apr | 73,078.02 | 72,572.39 | 124,445.49 | 51,367.47 | 70.3% | 51,873.10 | 71.5% |
| May | 92,567.53 | 124,286.11 | 162,750.36 | 70,182.83 | 75.8% | 38,464.25 | 30.9% |
| Jun | 96,292.05 | 99,944.08 | 177,379.52 | 81,087.47 | 84.2% | 77,435.44 | 77.5% |
| Jul | 152,248.61 | 177,428.46 | 267,976.11 | 115,727.50 | 76.0% | 90,547.65 | 51.0% |
| Aug | 119,924.25 | 90,201.91 | 200,626.56 | 80,702.31 | 67.3% | 110,424.65 | 122.4% |
| Sep | 112,406.75 | 75,348.48 | 183,506.71 | 71,099.96 | 63.3% | 108,158.23 | 143.5% |
| Oct | 482,980.66 | 219,270.33 | | | | | |
| Nov | 108,095.04 | 112,080.14 | | | | | |
| Dec | 174,868.17 | 113,340.35 | | | | | |
| YTD Total | 1,000,698.37 | 955,309.18 | 1,480,982.50 | 480,284.13 | 48.0% | 525,673.32 | 55.0% |



Note: October 2012 revenue increase reflected in the graphic above was due in part to the sale of the Auburn Regional Medical Center to Multicare.

Pet Licensing

During the month of September, 442 pet licenses were sold resulting in \$14,405 in revenue. Year to date revenues total \$116,920, surpassing the 2013 budget goal of \$96,000. During the same month in 2012, 672 licenses were sold, resulting in \$18,898 in revenue to King County.



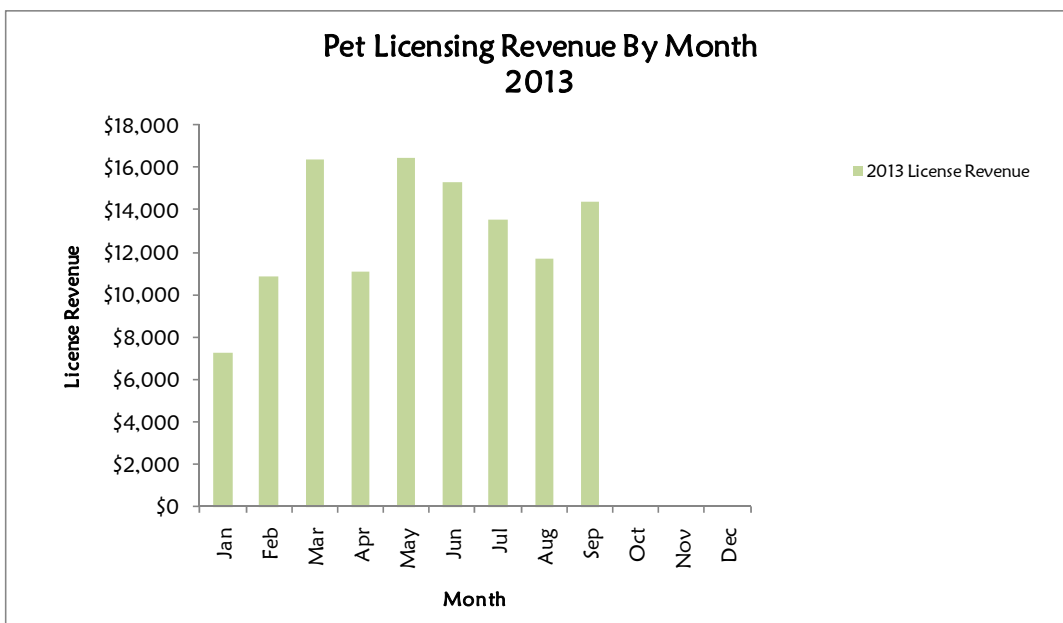
2013 Budget Goal: \$ 96,000 or more

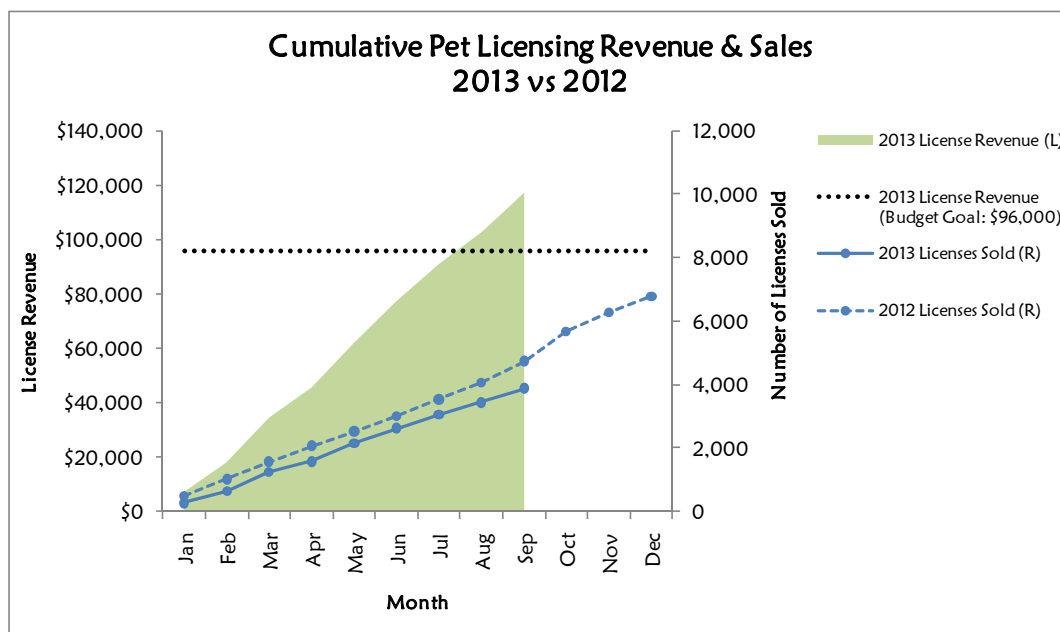
2014 Budget Goal: \$240,000 or more

Year-to-Date Revenue 2013 (through September) = \$116,920

Year-to-Date Licenses 2013 (through September) = 3,876

Year-to-Date Licenses 2012 (through September) = 4,733 as reported by King County

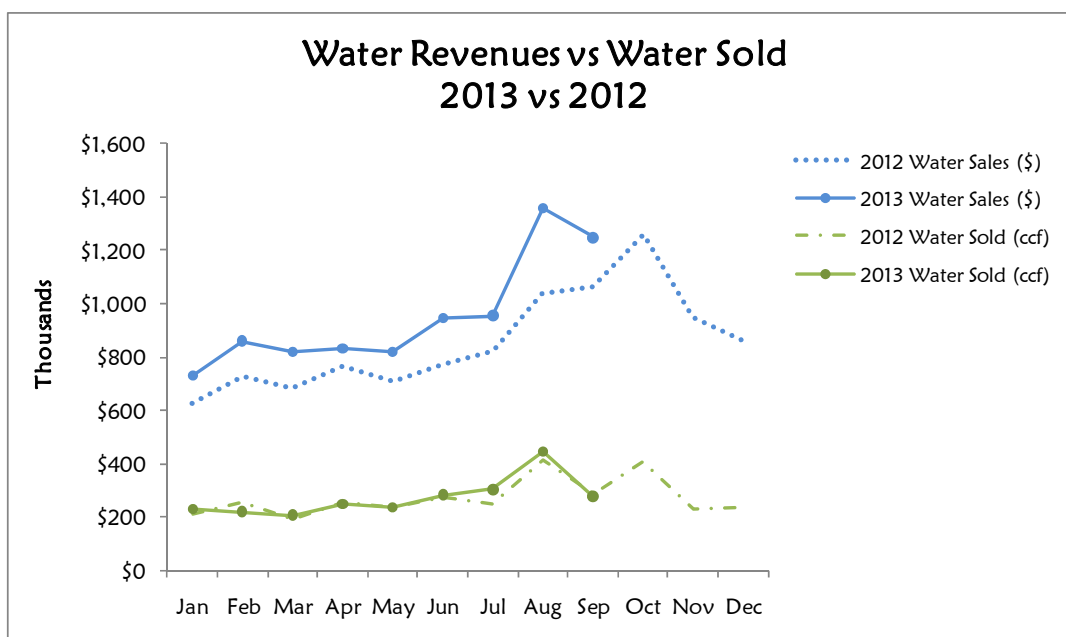




Enterprise Funds

The detailed Working Capital and Fund Balance statements for Enterprise and Internal Service funds can be found in the Appendix at the end of this Report.

The **Water Utility** net operating income decreased from \$577,250 in 2012 to \$516,980 in 2013, reflecting the combined effects of the cost of purchased water through Tacoma Public Utilities and cooler and wetter weather in September (September recorded a record 6.2 inches of rain versus 1.4 inches of rain in the previous month²).

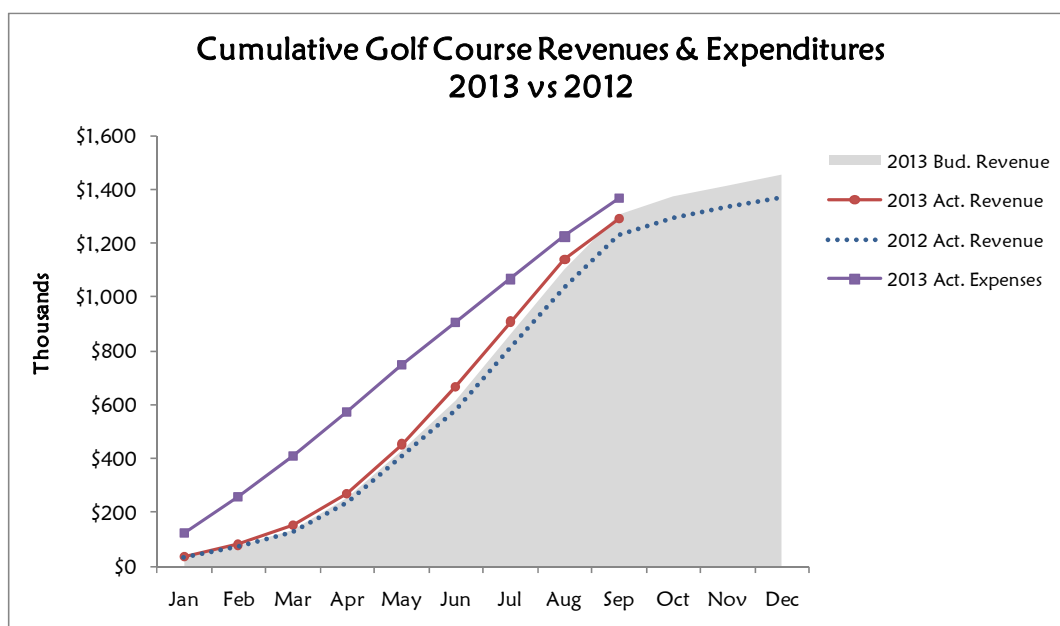
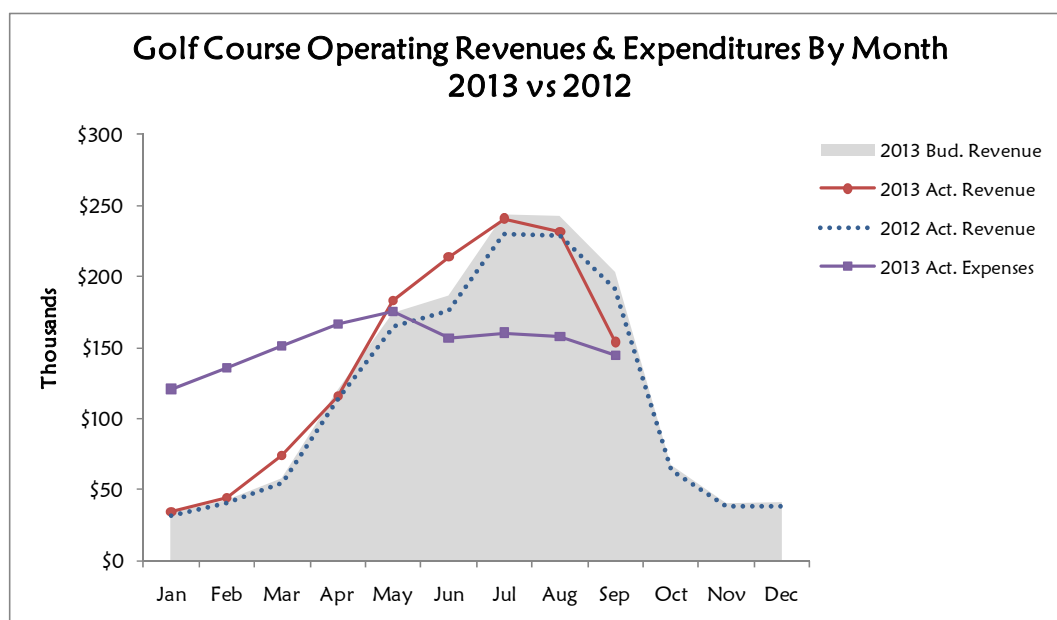


² Source: National Weather Service, National Oceanic and Atmospheric Administration

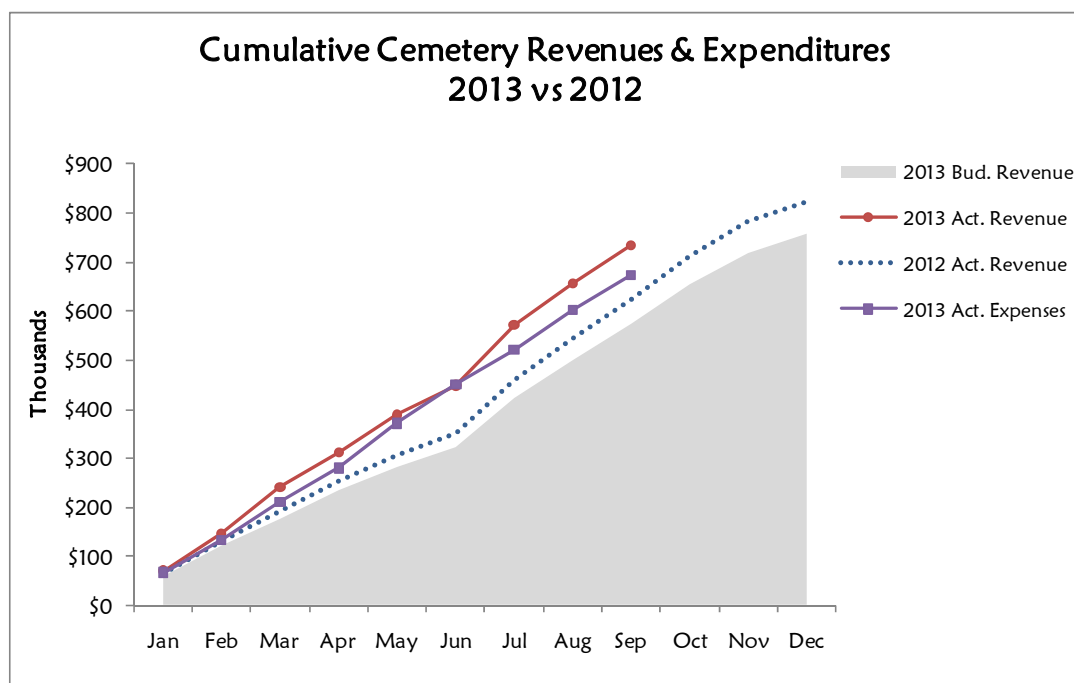
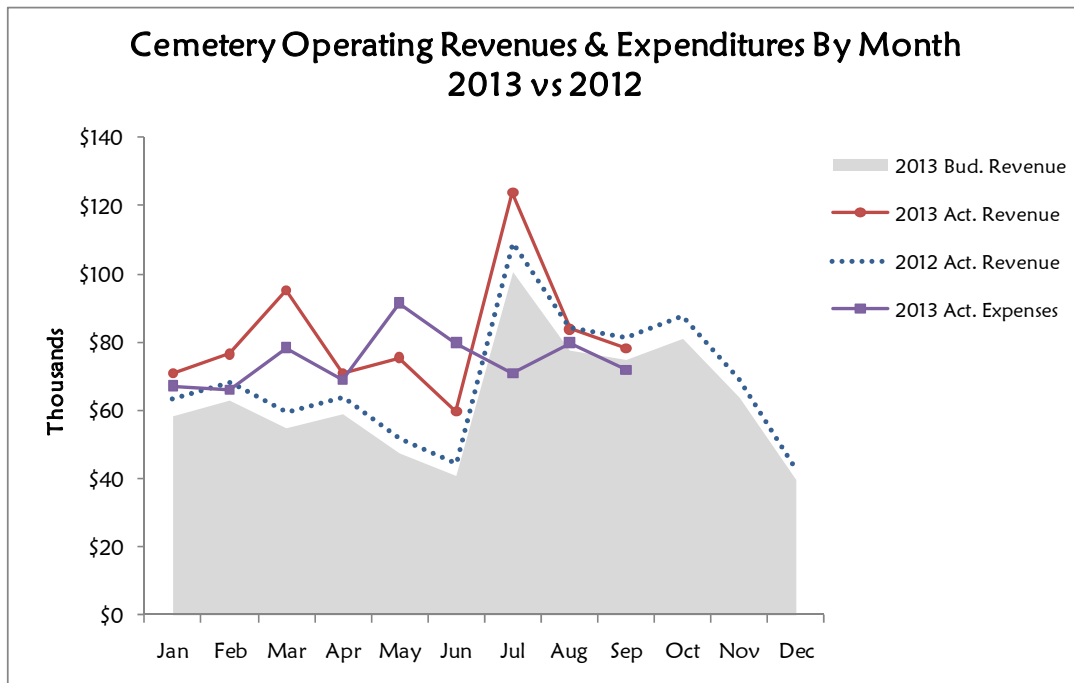
The **Sewer Utility** ended the period with a \$497,800 net operating loss and compares to a \$1,107,800 net loss for the same period in 2012 (excluding Metro wastewater treatment revenues and expenditures, which are now being tracked separately in the Sewer-Metro fund). The **Sewer-Metro Utility** ended September with net operating income of \$62,000.

The **Stormwater Utility** ended the period with \$813,490 in net operating income which compares to \$437,900 in net income for the same period last year.

A wet September also affected the number of rounds played at the **Auburn Golf Course (AGC)**, 4,235 as compared to 5,716 for the same period last year and 7,181 for the previous month. However, year-to-date rounds played continue to exceed the previous year, 41,297 versus 40,783 rounds in 2012. The AGC ended September with a net operating loss of \$76,150 compared to a loss of \$112,440 for the same period last year.



The **Cemetery Fund** ended September with operating income of \$60,490 compared to a \$125,090 net operating loss for the same period last year which reflects a decline in Cemetery operating expenditures and an increase in operating revenue. In September, the number of interments at the Cemetery totaled 17 (6 burials, 11 cremations) which compares to 17 (11 burials, 6 cremations) for the same period last year. Year-to-date interments total 172 (82 burials, 90 cremations) compared to 187 (81 burials, 106 cremations) in 2012.



Internal Service Funds

Operating expenditures within the **Insurance** Fund represents the premium cost-pool that will be allocated monthly to other City funds over the course of 2013. As a result, this balance will gradually diminish each month throughout the year.

No significant variances are reported in the **Facilities, Innovation & Technology**, or **Equipment Rental** Funds. All funds have sufficient revenues to cover year-to-date expenditures.

Contact Information

This report is prepared by the Finance Department. Additional financial information can also be viewed at our website: <http://www.auburnwa.gov/>. For any questions about the report please contact us at mchaw@auburnwa.gov or scoleman@auburnwa.gov.

City of Auburn
Investment Portfolio Summary
September 30, 2013

| Investment Type | Purchase Date | Purchase Price | Maturity Date | Yield to Maturity |
|--------------------------|------------------|-----------------------|------------------|----------------------|
| State Investment Pool | Various | \$ 98,361,929 | Various | 0.12% |
| KeyBank Money Market | Various | 7,492,676 | Various | 0.15% |
| US Treasury | 05/04/1990 | 57,750 | 05/15/2016 | 5.72% |
| FFCB | 4/11/2013 | 3,000,000 | 4/11/2016 | 0.43% |
| FHLMC | 7/25/2013 | 2,000,000 | 7/25/2017 | 1.50% |
| FNMA | 9/6/2013 | 1,000,000 | 9/6/2016 | 1.00% |
| LAKUTL | 9/25/2013 | 235,919 | 11/1/2017 | 1.90% |
| Total Cash & Investments | | <u>\$ 112,148,274</u> | | <u>0.172%</u> |

| Investment Mix | % of Total | Summary | |
|-----------------------|---------------|-------------------------------|-------|
| State Investment Pool | 87.7% | Current 6-month treasury rate | 0.04% |
| KeyBank Money Market | 6.7% | Current State Pool rate | 0.12% |
| US Treasury | 0.1% | KeyBank Money Market | 0.15% |
| FFCB | 2.7% | Blended Auburn rate | 0.17% |
| FHLMC | 1.8% | | |
| FNMA | 0.9% | | |
| LAKUTL | 0.2% | | |
| | <u>100.0%</u> | | |

SALES TAX SUMMARY
SEPTEMBER 2013 SALES TAX DISTRIBUTIONS (FOR JULY 2013 RETAIL ACTIVITY)

| NAICS | CONSTRUCTION | 2012 Annual Total (Nov '11-Oct '12) | 2012 YTD (Nov '11 - July '12) | 2013 YTD (Nov '12 - July '13) | YTD % Diff |
|-----------------------------------|------------------------------|--|----------------------------------|----------------------------------|---------------|
| 236 | Construction of Buildings | 483,408.87 | 294,885.92 | 593,883.66 | 101.4% |
| 237 | Heavy and Civil Construction | 114,822.92 | 84,782.13 | 71,363.94 | -15.8% |
| 238 | Specialty Trade Contractors | 622,980.45 | 433,274.77 | 588,222.29 | 35.8% |
| TOTAL CONSTRUCTION | | \$ 1,221,212.24 | \$ 812,942.82 | \$ 1,253,469.89 | 54.2% |
| Overall Change from Previous Year | | | | \$ 440,527.07 | |

| NAICS | MANUFACTURING | 2012 Annual Total (Nov '11-Oct '12) | 2012 YTD (Nov '11 - July '12) | 2013 YTD (Nov '12 - July '13) | YTD % Diff |
|-----------------------------------|--------------------------------|--|----------------------------------|----------------------------------|---------------|
| 311 | Food Manufacturing | 2,932.07 | 2,451.61 | 1,308.06 | -46.6% |
| 312 | Beverage and Tobacco Products | 5,855.42 | 4,173.11 | 5,635.27 | 35.0% |
| 313 | Textile Mills | 569.85 | 88.58 | 201.22 | 127.2% |
| 314 | Textile Product Mills | 4,456.85 | 3,783.76 | 3,017.42 | -20.3% |
| 315 | Apparel Manufacturing | 217.67 | 201.77 | 267.85 | 32.8% |
| 316 | Leather and Allied Products | 58.91 | 55.11 | 7.13 | -87.1% |
| 321 | Wood Product Manufacturing | 31,417.29 | 17,724.38 | 57,800.58 | 226.1% |
| 322 | Paper Manufacturing | 3,943.50 | 2,950.27 | 2,657.82 | -9.9% |
| 323 | Printing and Related Support | 28,275.22 | 21,648.75 | 18,207.11 | -15.9% |
| 324 | Petroleum and Coal Products | 10,532.00 | 7,994.39 | 7,028.15 | -12.1% |
| 325 | Chemical Manufacturing | 8,088.54 | 5,293.47 | 6,441.71 | 21.7% |
| 326 | Plastics and Rubber Products | 9,468.87 | 7,181.36 | 6,914.98 | -3.7% |
| 327 | Nonmetallic Mineral Products | 17,323.71 | 12,049.98 | 14,460.04 | 20.0% |
| 331 | Primary Metal Manufacturing | 1,765.68 | 1,710.97 | 592.22 | -65.4% |
| 332 | Fabricated Metal Product Manuf | 24,964.99 | 16,431.47 | 6,793.71 | -58.7% |
| 333 | Machinery Manufacturing | 12,890.22 | 8,854.24 | 15,547.85 | 75.6% |
| 334 | Computer and Electronic Produc | 10,260.16 | 6,761.82 | 10,297.78 | 52.3% |
| 335 | Electric Equipment, Appliances | 426.32 | 330.48 | 1,089.35 | 229.6% |
| 336 | Transportation Equipment Man | 187,175.19 | 116,654.10 | 256,922.34 | 120.2% |
| 337 | Furniture and Related Products | 18,721.33 | 13,933.91 | 18,074.43 | 29.7% |
| 339 | Miscellaneous Manufacturing | 25,368.10 | 18,628.00 | 22,275.42 | 19.6% |
| TOTAL MANUFACTURING | | \$ 404,711.89 | \$ 268,901.53 | \$ 455,540.44 | 69.4% |
| Overall Change from Previous Year | | | | \$ 186,638.91 | |

| NAICS | TRANSPORTATION AND WAREHOUSING | 2012 Annual Total (Nov '11-Oct '12) | 2012 YTD (Nov '11 - July '12) | 2013 YTD (Nov '12 - July '13) | YTD % Diff |
|-----------------------------------|--------------------------------|--|----------------------------------|----------------------------------|---------------|
| 481 | Air Transportation | 0.00 | 0.00 | 0.00 | N/A |
| 482 | Rail Transportation | 19,181.85 | 18,054.19 | 8,604.05 | -52.3% |
| 484 | Truck Transportation | 10,245.48 | 7,834.07 | (4,936.54) | -163.0% |
| 485 | Transit and Ground Passengers | 268.22 | 268.22 | 93.19 | -65.3% |
| 488 | Transportation Support | 18,841.37 | 13,372.95 | 17,489.78 | 30.8% |
| 491 | Postal Service | 470.02 | 271.38 | 655.25 | 141.5% |
| 492 | Couriers and Messengers | 568.35 | 438.58 | 1,000.52 | 128.1% |
| 493 | Warehousing and Storage | 5,376.49 | 4,441.77 | 5,809.30 | 30.8% |
| TOTAL TRANSPORTATION | | \$ 54,951.78 | \$ 44,681.16 | \$ 28,715.55 | -35.7% |
| Overall Change from Previous Year | | | | \$ (15,965.61) | |

| NAICS | WHOLESALE TRADE | 2012 Annual Total (Nov '11-Oct '12) | 2012 YTD (Nov '11 - July '12) | 2013 YTD (Nov '12 - July '13) | YTD % Diff |
|-----------------------------------|--------------------------------|--|----------------------------------|----------------------------------|---------------|
| 423 | Wholesale Trade, Durable Goods | 1,137,932.04 | 866,687.87 | 831,213.25 | -4.1% |
| 424 | Wholesale Trade, Nondurable | 153,721.30 | 112,731.91 | 121,438.09 | 7.7% |
| 425 | Wholesale Electronic Markets | 5,064.63 | 3,714.91 | 3,797.61 | 2.2% |
| TOTAL WHOLESALE | | \$ 1,296,717.97 | \$ 983,134.69 | \$ 956,448.95 | -2.7% |
| Overall Change from Previous Year | | | | \$ (26,685.74) | |

a. Wa. State Dept of Revenue audit adjustment to sales tax returns for period Nov 2011 (adjustment: -\$73,971).
b. Wa. State Dept of Revenue audit adjustment to sales tax returns for period Dec 2011 (adjustment: -\$20,014).
c. Wa. State Dept of Revenue audit adjustment to sales tax returns for period Jan 2013 (adjustment: -\$11,382).
d. Wa. State Dept of Revenue audit adjustment to sales tax returns for period May 2013 (adjustment - \$30,493).

| NAICS | AUTOMOTIVE | 2012 Annual Total (Nov '11-Oct '12) | 2012 YTD (Nov '11 - July '12) | 2013 YTD (Nov '12 - July '13) | YTD % Diff |
|-----------------------------------|--------------------------------|--|----------------------------------|----------------------------------|---------------|
| 441 | Motor Vehicle and Parts Dealer | 2,795,163.85 | 2,067,805.02 | 2,166,473.19 | 4.8% |
| 447 | Gasoline Stations | 223,463.26 | 163,537.53 | 179,986.39 | 10.1% |
| TOTAL AUTOMOTIVE | | \$ 3,018,627.11 | \$ 2,231,342.55 | \$ 2,346,459.58 | 5.2% |
| Overall Change from Previous Year | | | | \$ 115,117.03 | |

| NAICS | RETAIL TRADE | 2012 Annual Total (Nov '11-Oct '12) | 2012 YTD (Nov '11 - July '12) | 2013 YTD (Nov '12 - July '13) | YTD % Diff |
|-----------------------------------|--------------------------------|--|----------------------------------|----------------------------------|---------------|
| 442 | Furniture and Home Furnishings | 226,308.94 | 162,818.82 | 174,342.26 | 7.1% |
| 443 | Electronics and Appliances | 145,390.62 | 103,261.03 | 130,520.14 | 26.4% |
| 444 | Building Material and Garden | 425,493.64 | 306,451.56 | 333,748.54 | 8.9% |
| 445 | Food and Beverage Stores | 341,378.74 | 252,490.83 | 245,665.81 | -2.7% |
| 446 | Health and Personal Care Store | 148,812.47 | 114,074.94 | 132,599.23 | 16.2% |
| 448 | Clothing and Accessories | 772,153.02 | 567,573.02 | 646,218.95 | 13.9% |
| 451 | Sporting Goods, Hobby, Books | 120,507.49 | 92,914.15 | 90,228.92 | -2.9% |
| 452 | General Merchandise Stores | 967,039.39 | 741,509.19 | 738,740.36 | -0.4% |
| 453 | Miscellaneous Store Retailers | 508,326.14 | 355,611.68 | 403,216.41 | 13.4% |
| 454 | Nonstore Retailers | 268,502.71 | 200,690.56 | 241,126.81 | 20.1% |
| TOTAL RETAIL TRADE | | \$ 3,923,913.16 | \$ 2,897,395.78 | \$ 3,136,407.43 | 8.2% |
| Overall Change from Previous Year | | | | \$ 239,011.65 | |

| NAICS | SERVICES | 2012 Annual Total (Nov '11-Oct '12) | 2012 YTD (Nov '11 - July '12) | 2013 YTD (Nov '12 - July '13) | YTD % Diff |
|-----------------------------------|--------------------------------|--|----------------------------------|----------------------------------|---------------|
| 51* | Information | 396,353.38 | 295,319.54 | 325,767.62 | 10.3% |
| 52* | Finance and Insurance | 53,290.56 | 33,668.12 | 69,832.98 | 107.4% |
| 53* | Real Estate, Rental, Leasing | 326,259.42 | 229,539.65 | 207,620.25 | -9.5% |
| 541 | Professional, Scientific, Tech | 173,274.20 | 129,605.40 | 137,518.48 | 6.1% |
| 551 | Company Management | 15.78 | 13.58 | 77.41 | 470.0% |
| 56* | Admin. Supp., Remed Svcs | 334,354.06 | 202,471.08 | 255,791.27 | 26.3% |
| 611 | Educational Services | 53,671.83 | 36,622.68 | 34,913.37 | -4.7% |
| 62* | Health Care Social Assistance | 114,832.81 | 22,683.81 | 28,162.44 | 24.2% |
| 71* | Arts and Entertainment | 153,417.34 | 127,870.48 | 122,218.99 | -4.4% |
| 72* | Accomodation and Food Svcs | 920,555.95 | 681,135.35 | 716,963.61 | 5.3% |
| 81* | Other Services | 388,278.72 | 294,579.50 | 290,723.94 | -1.3% |
| 92* | Public Administration | 142,187.99 | 108,724.20 | 81,688.21 | -24.9% |
| TOTAL SERVICES | | \$ 3,056,492.04 | \$ 2,162,233.39 | \$ 2,271,278.57 | 5.0% |
| Overall Change from Previous Year | | | | \$ 109,045.18 | |

| NAICS | MISCELLANEOUS | 2012 Annual Total (Nov '11-Oct '12) | 2012 YTD (Nov '11 - July '12) | 2013 YTD (Nov '12 - July '13) | YTD % Diff |
|-----------------------------------|--------------------------------|--|----------------------------------|----------------------------------|---------------|
| 000 | Unknown | 1.04 | 1.04 | 0.00 | -100.0% |
| 111-115 | Agriculture, Forestry, Fishing | 2,868.29 | 2,079.19 | 3,265.54 | 57.1% |
| 211-221 | Mining & Utilities | 30,228.91 | 23,231.17 | 16,706.04 | -28.1% |
| 999 | Unclassifiable Establishments | 27,601.09 | 20,753.67 | 24,171.99 | 16.5% |
| TOTAL SERVICES | | \$ 60,699.33 | \$ 46,065.07 | \$ 44,143.57 | -4.2% |
| Overall Change from Previous Year | | | | \$ (1,921.50) | |

| | | | | |
|-----------------------------------|------------------|-----------------|------------------|-------|
| GRAND TOTAL | \$ 13,037,325.52 | \$ 9,446,696.99 | \$ 10,492,463.98 | |
| Overall Change from Previous Year | | | \$ 1,045,766.99 | 11.1% |

The following table presents the Working Capital Statement for each of the City's Enterprise and Internal Service funds. Working Capital is generally defined as the difference between current assets and current liabilities.

| WORKING CAPITAL | ENTERPRISE FUNDS | | | | | | | | INTERNAL SERVICE FUNDS | | | |
|---|------------------|---------------|----------------|---------------|--------------|--------------|-------------|--------------|------------------------|--------------|----------------------------|---------------------|
| | WATER | SEWER | SEWER METRO | STORM | SOLID WASTE | AIRPORT | CEMETERY | GOLF | INSURANCE | FACILITIES | INNOVATION & TECHNOLOGY | EQUIPMENT RENTAL |
| OPERATING REVENUES | | | | | | | | | | | | |
| Charges For Service | 8,574,579.70 | 5,031,755.96 | - | 6,097,516.39 | 9,608,566.69 | 11,503.87 | 734,491.04 | 933,752.60 | - | - | - | - |
| Interfund Charges For Service | - | - | - | - | - | - | - | - | - | 2,635,019.00 | 3,585,965.00 | 2,207,860.29 |
| Sewer Metro Service Revenue | - | - | 10,885,244.17 | - | - | - | - | - | - | - | - | - |
| Rents, Leases, Concessions, & Other | - | - | - | - | - | 457,454.66 | - | 358,359.63 | - | 91,300.32 | 63,719.25 | - |
| TOTAL OPERATING REVENUES | 8,574,579.70 | 5,031,755.96 | 10,885,244.17 | 6,097,516.39 | 9,608,566.69 | 468,958.53 | 734,491.04 | 1,292,112.23 | - | 2,726,319.32 | 3,649,684.25 | 2,207,860.29 |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Salaries & Wages | 1,706,919.74 | 1,131,832.95 | - | 1,493,620.76 | 293,803.46 | 15,605.00 | 293,358.75 | 446,277.02 | - | 480,086.85 | 1,037,113.13 | 349,547.36 |
| Benefits | 774,559.04 | 498,894.38 | - | 652,751.96 | 134,211.70 | 5,153.82 | 144,405.61 | 217,458.42 | - | 210,944.72 | 429,733.71 | 156,562.98 |
| Supplies | 141,831.96 | 52,301.24 | - | 57,716.38 | 38,582.60 | 285.70 | 106,642.88 | 214,052.26 | - | 69,788.38 | 124,991.38 | 606,025.86 |
| Other Service Charges | 2,880,841.57 | 1,696,680.17 | - | 953,581.97 | 804,235.04 | 363,544.84 | 44,185.37 | 138,064.94 | 415,548.55 | 1,079,824.88 | 1,173,991.17 | 335,026.73 |
| Intergovernmental Services | - | 2,481.81 | - | 11,740.65 | 206,327.16 | - | - | - | - | - | - | - |
| Waste Management Payments | - | - | - | - | 6,741,269.60 | - | - | - | - | - | - | - |
| Sewer Metro Services | - | - | 10,823,300.01 | - | - | - | - | - | - | - | - | - |
| Interfund Operating Rentals & Supplies | 838,242.01 | 733,276.16 | - | 969,397.40 | 135,675.00 | - | 42,147.00 | 123,372.00 | - | 89,406.00 | 226,278.00 | 185,693.35 |
| Other Expenses | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation & Amortization | 1,715,205.61 | 1,414,092.65 | - | 1,145,213.35 | 14,114.47 | 302,557.45 | 43,262.58 | 229,039.79 | - | - | 330,320.92 | 531,124.69 |
| TOTAL OPERATING EXPENSES | 8,057,599.93 | 5,529,559.36 | 10,823,300.01 | 5,284,022.47 | 8,368,219.03 | 687,146.81 | 674,002.19 | 1,368,264.43 | 415,548.55 | 1,930,050.83 | 3,322,428.31 | 2,163,980.97 |
| | | | | | | | | | | | | |
| OPERATING INCOME (LOSS) | 516,979.77 | (497,803.40) | 61,944.16 | 813,493.92 | 1,240,347.66 | (218,188.28) | 60,488.85 | (76,152.20) | (415,548.55) | 796,268.49 | 327,255.94 | 43,879.32 |
| NON-OPERATING REVENUES & EXPENSES | | | | | | | | | | | | |
| Interest Revenue | 19,536.77 | 16,025.87 | 26.16 | 17,005.07 | 1,016.75 | 1,231.40 | 305.94 | 511.93 | 1,648.13 | 2,212.95 | 3,900.28 | 7,000.36 |
| Contributions | - | - | - | 69,770.47 | 27,745.13 | - | 55.00 | - | - | 35,860.00 | - | - |
| Other Non-Operating Revenue | 113,696.13 | 144,697.01 | - | 33,215.99 | 1,430.00 | 1,875.00 | (0.50) | - | - | - | 23,581.05 | 35,548.04 |
| Gain (Loss) On Sale Of Fixed Assets | - | - | - | - | - | - | - | - | - | - | - | 17,566.50 |
| Debt Service Interest | (242,692.73) | (19,099.90) | - | (157,207.91) | - | (23,137.50) | (11,133.72) | - | - | - | - | - |
| Other Non-Operating Expense | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL NON-OPERATING REVENUES & EXPENSES | (109,459.83) | 141,622.98 | 26.16 | (37,216.38) | 30,191.88 | (20,031.10) | (10,773.28) | 511.93 | 1,648.13 | 38,072.95 | 27,481.33 | 60,114.90 |
| PLUS ITEMS NOT EFFECTING WORKING CAPITAL | | | | | | | | | | | | |
| Depreciation | 1,715,205.61 | 1,414,092.65 | - | 1,145,213.35 | 14,114.47 | 302,557.45 | 43,262.58 | 229,039.79 | - | - | 330,320.92 | 531,124.69 |
| NET WORKING CAPITAL FROM OPERATIONS | 2,122,725.55 | 1,057,912.23 | 61,970.32 | 1,921,490.89 | 1,284,654.01 | 64,338.07 | 92,978.15 | 153,399.52 | (413,900.42) | 834,341.44 | 685,058.19 | 635,118.91 |
| | | | | | | | | | | | | |
| Increase In Contributions - System Development ¹ | 490,424.00 | 2,322,300.25 | - | 531,480.21 | - | - | - | - | - | - | - | - |
| Increase In Contributions - Area Assessments | 224.13 | 2,253.61 | - | - | - | - | - | - | - | - | - | - |
| Increase In Contributions - Other Governments | - | - | - | - | - | 54,897.06 | - | - | - | - | - | - |
| Increase In Contributions - Other Funds | - | - | - | - | - | - | - | - | - | - | - | - |
| Increase In Contributions - FAA | - | - | - | - | - | - | - | - | - | - | - | - |
| Proceeds of Debt Activity | 8,651,428.91 | - | - | 5,235,686.06 | - | - | - | - | - | - | - | - |
| Operating Transfers In | - | - | - | - | - | - | - | 46,687.64 | - | - | - | - |
| Increase In Restricted Net Assets | 18,832.94 | 21,650.50 | - | - | - | 4,415.33 | - | - | - | - | - | - |
| Decrease In Long-Term Receivables | - | 112,500.00 | - | - | - | - | - | - | - | - | - | - |
| Increase In Deferred Credits | - | - | - | - | - | 3,865.61 | - | - | - | - | - | - |
| TOTAL RESOURCES OTHER THAN OPERATIONS | 9,160,909.98 | 2,458,704.36 | - | 5,767,166.27 | - | 63,178.00 | - | 46,687.64 | - | - | - | - |
| | | | | | | | | | | | | |
| Net Change In Restricted Net Assets | 519,910.13 | 1,602,522.37 | (1,460,182.19) | 257,091.63 | - | 4,415.33 | - | (12,779.19) | - | - | - | - |
| Increase In Fixed Assets - Salaries | 180,537.43 | 39,631.20 | - | 115,930.86 | - | - | - | - | - | - | - | - |
| Increase In Fixed Assets - Benefits | 71,141.40 | 16,660.81 | - | 49,823.71 | - | - | - | - | - | - | - | - |
| Increase In Fixed Assets - Site Improvements | 29,113.27 | - | - | 11,782.20 | - | - | - | - | - | - | - | 8,470.78 |
| Increase In Fixed Assets - Equipment | - | - | - | 17,960.19 | - | - | - | - | - | - | 215,116.04 | 174,146.18 |
| Increase In Fixed Assets - Construction | 4,345,156.37 | 233,516.04 | - | 915,472.63 | - | 111,290.51 | - | - | - | - | - | - |
| Operating Transfers Out | 50,000.00 | 50,000.00 | - | 124,000.00 | - | - | - | - | - | 373,139.96 | - | 7,000.00 |
| Debt Service Principal | 629,868.48 | 288,261.96 | - | 140,700.00 | - | - | - | - | - | - | - | - |
| TOTAL USES OTHER THAN OPERATIONS | 5,825,727.08 | 2,230,592.38 | (1,460,182.19) | 1,632,761.22 | - | 115,705.84 | - | (12,779.19) | - | 373,139.96 | 215,116.04 | 189,616.96 |
| NET CHANGE IN WORKING CAPITAL | 5,457,908.45 | 1,286,024.21 | 1,522,152.51 | 6,055,895.94 | 1,284,654.01 | 11,810.23 | 92,978.15 | 212,866.35 | (413,900.42) | 461,201.48 | 469,942.15 | 445,501.95 |
| BEGINNING WORKING CAPITAL - January 1, 2013 | 10,196,281.10 | 12,072,579.09 | - | 10,218,848.21 | 1,018,487.34 | 818,912.00 | 182,098.05 | 90,691.62 | 2,028,681.08 | 1,473,040.96 | 2,885,527.19 | 5,559,564.94 |
| ENDING WORKING CAPITAL - September 30, 2013 | 15,654,189.55 | 13,358,603.30 | 1,522,152.51 | 16,274,744.15 | 2,303,141.35 | 830,722.23 | 275,076.20 | 303,557.97 | 1,614,780.66 | 1,934,242.44 | 3,355,469.34 | 6,005,066.89 |
| NET CHANGE IN WORKING CAPITAL | 5,457,908.45 | 1,286,024.21 | 1,522,152.51 | 6,055,895.94 | 1,284,654.01 | 11,810.23 | 92,978.15 | 212,866.35 | (413,900.42) | 461,201.48 | 469,942.15 | 445,501.95 |

The following table provides an analysis of each of the City's Enterprise and Internal Service funds - showing 2013 revenues and expenditures by fund.

| FUND BALANCE | ENTERPRISE FUNDS | | | | | | | | INTERNAL SERVICE FUNDS | | | |
|--|------------------|---------------|---------------|---------------|--------------|--------------|-------------|--------------|------------------------|--------------|-------------------------|------------------|
| | WATER | SEWER | SEWER METRO | STORM | SOLID WASTE | AIRPORT | CEMETERY | GOLF | INSURANCE | FACILITIES | INNOVATION & TECHNOLOGY | EQUIPMENT RENTAL |
| OPERATING REVENUES | | | | | | | | | | | | |
| Charges For Service | 8,574,579.70 | 5,031,755.96 | - | 6,097,516.39 | 9,608,566.69 | 11,503.87 | 734,491.04 | 933,752.60 | - | - | - | - |
| Interfund Charges For Service | - | - | - | - | - | - | - | - | - | 2,635,019.00 | 3,585,965.00 | 2,207,860.29 |
| Sewer Metro Service Revenue | - | - | 10,885,244.17 | - | - | - | - | - | - | - | - | - |
| Rents, Leases, Concessions, & Other | - | - | - | - | - | 457,454.66 | - | 358,359.63 | - | 91,300.32 | 63,719.25 | - |
| TOTAL OPERATING REVENUES | 8,574,579.70 | 5,031,755.96 | 10,885,244.17 | 6,097,516.39 | 9,608,566.69 | 468,958.53 | 734,491.04 | 1,292,112.23 | - | 2,726,319.32 | 3,649,684.25 | 2,207,860.29 |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Administration | 2,144,657.36 | 1,555,980.76 | - | 2,069,560.03 | 539,201.50 | 384,184.28 | 176,920.07 | 172,822.21 | 415,548.55 | - | - | 647,410.26 |
| Operations & Maintenance | 4,197,737.00 | 2,559,485.95 | - | 2,069,249.09 | 1,073,633.46 | 405.08 | 453,819.54 | 966,402.43 | - | 1,930,050.83 | 2,992,107.39 | 985,446.02 |
| Waste Management Payments | - | - | - | - | 6,741,269.60 | - | - | - | - | - | - | - |
| Sewer Metro Services | - | - | 10,823,300.01 | - | - | - | - | - | - | - | - | - |
| Depreciation & Amortization | 1,715,205.61 | 1,414,092.65 | - | 1,145,213.35 | 14,114.47 | 302,557.45 | 43,262.58 | 229,039.79 | - | - | 330,320.92 | 531,124.69 |
| TOTAL OPERATING EXPENSES | 8,057,599.97 | 5,529,559.36 | 10,823,300.01 | 5,284,022.47 | 8,368,219.03 | 687,146.81 | 674,002.19 | 1,368,264.43 | 415,548.55 | 1,930,050.83 | 3,322,428.31 | 2,163,980.97 |
| | | | | | | | | | | | | |
| OPERATING INCOME (LOSS) | 516,979.73 | (497,803.40) | 61,944.16 | 813,493.92 | 1,240,347.66 | (218,188.28) | 60,488.85 | (76,152.20) | (415,548.55) | 796,268.49 | 327,255.94 | 43,879.32 |
| NON-OPERATING REVENUES & EXPENSES | | | | | | | | | | | | |
| Interest Revenue | 19,536.77 | 16,025.87 | 26.16 | 17,005.07 | 1,016.75 | 1,231.40 | 305.94 | 511.93 | 1,648.13 | 2,212.95 | 3,900.28 | 7,000.36 |
| Other Non-Operating Revenue | 113,696.13 | 144,697.01 | - | 102,986.46 | 29,175.13 | 1,875.00 | 54.50 | - | - | 35,860.00 | 23,581.05 | 35,548.04 |
| Gain (Loss) On Sale Of Fixed Assets | - | - | - | - | - | - | - | - | - | - | - | 17,566.50 |
| Other Non-Operating Expense | (242,692.73) | (19,099.90) | - | (157,207.91) | - | (23,137.50) | (11,133.72) | - | - | - | - | - |
| TOTAL NON-OPERATING REVENUES & EXPENSES | (109,459.83) | 141,622.98 | 26.16 | (37,216.38) | 30,191.88 | (20,031.10) | (10,773.28) | 511.93 | 1,648.13 | 38,072.95 | 27,481.33 | 60,114.90 |
| INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS | 407,519.90 | (356,180.42) | 61,970.32 | 776,277.54 | 1,270,539.54 | (238,219.38) | 49,715.57 | (75,640.27) | (413,900.42) | 834,341.44 | 354,737.27 | 103,994.22 |
| | | | | | | | | | | | | |
| Contributions ¹ | 490,648.13 | 2,324,553.86 | - | 531,480.21 | - | 54,897.06 | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - | - | 46,687.64 | - | - | - | - |
| Transfers Out | (50,000.00) | (50,000.00) | - | (124,000.00) | - | - | - | - | - | (373,139.96) | - | (7,000.00) |
| TOTAL CONTRIBUTIONS & TRANSFERS | 440,648.13 | 2,274,553.86 | - | 407,480.21 | - | 54,897.06 | - | 46,687.64 | - | (373,139.96) | - | (7,000.00) |
| CHANGE IN FUND BALANCE | 848,168.03 | 1,918,373.44 | 61,970.32 | 1,183,757.75 | 1,270,539.54 | (183,322.32) | 49,715.57 | (28,952.63) | (413,900.42) | 461,201.48 | 354,737.27 | 96,994.22 |
| | | | | | | | | | | | | |
| BEGINNING FUND BALANCE - January 1, 2013 | 67,719,034.00 | 73,319,311.00 | 1,460,182.00 | 49,964,488.00 | 1,128,442.00 | 9,439,263.00 | 872,103.00 | 8,578,904.00 | 2,028,681.00 | 1,415,971.00 | 4,069,294.00 | 10,502,921.00 |
| | | | | | | | | | | | | |
| ENDING FUND BALANCE - September 30, 2013 | 68,567,202.03 | 75,237,684.44 | 1,522,152.32 | 51,148,245.75 | 2,398,981.54 | 9,255,940.68 | 921,818.57 | 8,549,951.37 | 1,614,780.58 | 1,877,172.48 | 4,424,031.27 | 10,599,915.22 |

¹ Sewer contributions reflect System Development Charges resulting from the Goedecke land swap agreement with the WA Department of Transportation.